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14MBAFM408

Fourth Semester MBA Degree Examination, Dec.2016/Jan.2017
Risk Management and Insurance

Time: 3 hrs.

Max. Marks:100

SECTION – A

Note : Answer any FOUR questions from Q.No.1 to Q.No.7.

- 1 What are the three major burdens that risk entail on society? (03 Marks)
- 2 List any THREE methods of risk identification? (03 Marks)
- 3 What is 'Financial Risk Management'? (03 Marks)
- 4 List the THREE factors that influence the insurance market dynamics. (03 Marks)
- 5 What is VAR analysis? (03 Marks)
- 6 Define insurance. (03 Marks)
- 7 Expand IRDAI. (03 Marks)

SECTION – B

Note : Answer any FOUR questions from Q.No.1 to Q.No.7.

- 1 What are the objectives of risk management? (07 Marks)
- 2 What do you understand by ERM? What are the reasons for its adoption and what are the barriers? (07 Marks)
- 3 Explain what do you understand by underwriting cycle? How does it occur? Explain. (07 Marks)
- 4 Distinguish between insurance and gambling. (07 Marks)
- 5 Write a brief note on insurance sector reforms in India. (07 Marks)
- 6 What benefits do Medi-claim policy generally offer? What are the usual exclusions in them? (07 Marks)
- 7 What do you understand by "clauses" in Marine policy? List any SIX Marine policy clauses. (07 Marks)

SECTION – C

Note : Answer any FOUR questions from Q.No.1 to Q.No.7.

- 1 List and explain briefly the methods of risk identification. (10 Marks)
- 2 What are the advanced risk management tools? Explain any TWO of such tools? (10 Marks)
- 3 Discuss the merits and limitations of life insurance. (10 Marks)
- 4 Explain the principles of insurance. (10 Marks)
- 5 How is insurance business generally organized? Explain any THREE organizational structures. (10 Marks)
- 6 Explain the FOUR key areas of success of insurance business. (10 Marks)
- 7 Distinguish between insurance and annuities. (10 Marks)

SECTION – D**CASE STUDY – [Compulsory]**

- a. M/S Kalavadhi Com Ltd. Manufacturing and sells scaffoldings and ladders that are used by construction firms. The product is directly sold to the retailers. The risk manager knows that the company could be sued if the scaffoldings or ladders are defective and some-one is injured. Because of the increase in product liability cost, the risk manger is considering techniques to control loss exposure on that count.
 - i) Mention the 'FIVE' steps in the risk management process
 - ii) Discuss the ways and means by which the company can contain product liability costs in the instant case. (12 Marks)
- b. In the following risk management matrix, indicate the appropriate risk management technique which you would apply as a risk manager.

Type of loss	Frequency of loss	Severity of loss	Risk management technique suggested
1	Low	High	?
2	Low	Low	?
3	High	High	?
4	High	Low	?

(08 Marks)
