No. of Printed Pages—2 **1168 (PDEEI)**

[23-HKPD1SNP - 24M]

MA 1st Semester (NEP) Examination, 2023 (W)

(*Economics of Insurance*) (DSE)

[EC, S1 - 04]

Full Marks : 70

Time : 3 hours

The figures in the right-hand margin indicate marks.

1. Answer any *five* from the following questions (each in around 400 words): $10 \times 5 = 50$

   (*a*) Explain the elements of risk management for sustainable development of business.

   (*b*) Elaborate the relationship between insurance and economic development by highlighting the significance of insurance.

   (*c*) Explain the functions and legal aspects of life insurance.

   (*d*) Write notes on the following concepts in the contexts of health insurance -

   (*i*) Financial and non-financial risks

   (*ii*) Fundamental and particular risks

   (*e*) Distinguish between life insurance and general insurance. Argue the case for general insurance. 6+4 = 10

   (*f*) What does insurance marketing refer to ? Write notes on any two major marketing intermediaries of general insurance. 3+7 = 10

   (*g*) What is the purpose of pension plan ? Describe the principles of pension plan. 3+7 = 10

(*h*) Explain the purpose, functions and powers of the Insurance Regulatory and Development Authority Act.

2. Answer any *four* from the following questions (each in around 200 words): $5 \times 4 = 20$

(*a*) Why should we have life insurance ? Discuss.

(*b*) Imagining yourself as an agent, prepare a note of conversation with your probable clients to convince them that 'insurance reduces risks of life and property'.

(*c*) Explain the problem of moral hazard in the context of insurance market.

(*d*) What is the meaning of reinsurance ? State the challenges of reinsurance market in developing countries like India.

(*e*) Outline the basic points of premium construction of a life insurance policy.

(*f*) Does health insurance cover all costs of health services ? Clarify your answer with the exclusions in individual health insurance.