

Code: 14E00316

MBA III Semester Supplementary Examinations July 2016

RISK MANAGEMENT & INSURANCE

(For students admitted in 2014 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

Answer the following: (05 X 10 = 50 Marks)

- 1 Distinguish between pure versus speculative and state versus dynamic.
- OR**
- 2 Examine the risk management techniques.
- 3 Define insurance. Briefly explain the costs and benefits of insurance.
- OR**
- 4 Explain how individuals and corporations adopt risk aversion and risk management.
- 5 Differentiate between life insurance and general insurance.
- OR**
- 6 List out the various classes of life and non-life insurance covers available in India.
- 7 What are the legal provisions available in property and liability coverage in insurance?
- OR**
- 8 Explain insurance contract analysis.
- 9 Critically evaluate the health insurance in India. What steps can be taken to make them more effective.
- OR**
- 10 What are the employee benefit plans available in India today?

SECTION – B

(Compulsory Question)

01 X 10 = 10 Marks

11 **Case study:**

Karen Swift is president of an accounting firm that has ten employees. The only employee benefit provided by the firm is a paid two-week vacation for employees with one or more years of service. The firm's profits have substantially increased, and Karen would like to provide some additional benefits to the employees. Karen needs advice concerning the types of benefits to provide. Assume you are an employee benefit consultant. Based on the following considerations, answer the following:

Questions:

- (a) Karen would like to provide life insurance for the employees equal to two times their salaries. She wants to minimize the cost of the benefit. What type of life insurance do you recommend?
- (b) Several employees have expressed an interest in having some life insurance in force on their lives after retirement. Explain to Karen, how employees can keep their life insurance after retirement.
