

IC-104

Fellowship  
**EXAMINATION  
QUESTION  
PAPERS  
MAY 2008**



भारतीय बीमा संस्थान  
**INSURANCE INSTITUTE OF INDIA**  
Universal Insurance Building,  
Sir P. M. Road, Fort,  
Mumbai - 400 001.

**FELLOWSHIP EXAMINATION**  
**LAW AND ECONOMICS OF INSURANCE**

Time: 3 Hours]

[Total Marks : 100

Attempt at least 2 questions each from Section 'A' and Section 'B'.

Total Questions to be attempted are 5 only.

All questions carry 20 marks each.

<u>Section- 'A'</u>		Marks
1.	a) Explain in detail the determinants of elasticity of demand.	12
	b) What is Planned Economy? How does it differ from Market Economy?	8
2.	Write short notes on <b>any four</b> :	5 each
	a) Factors of production	
	b) Role of Insurer in the National Economy.	
	c) Frustration of Contract.	
	d) Accord and Satisfaction	
	e) Determinants of Supply.	
3.	a) What is price elasticity of demand for insurance?	10 each
	b) Briefly state the income elasticity of demand for insurance.	
4.	a) Explain in detail the circumstances under which an agency is created?	12
	b) What are the disqualifications for being licensed as an Insurance Agent?	8

Section- 'B'

5. a) When does a nomination become operative? Can the nominee utilize the entire money for himself/herself? What is the legal position? 10 each
- b) What are the special features of an Insurance Contract? 10 each
6. a) Define fraud as per Indian Contract Act, 1872. How does Fraud differ from Misrepresentation? 10 each
- b) Explain in detail a Wagering Contract. 10 each

7. What are the powers and duties of Court in respect of an Arbitration Award? 20
3. Define bailment. What are the duties, rights and liabilities of bailor and bailee. 20

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- Write short notes (about 50 words) on the following:
- Importance of insurance industry
  - Product life cycle
  - Complaints
  - WOW
- Identify the different categories of an insurance company:
- What are their needs?
  - To what extent will CMAI be relevant in all these cases?
- Discuss three agreement points of favour and three against companies paying attention to socially relevant matters.
- Explain with examples how product differentiation happens in:
- insurance industry and
  - any other business
- Explain the concepts of (i) Branding and (ii) Imageability with reference to:
- Dreams
  - Security agencies
  - Bank notes
  - The insurance
- The aim of marketing is to make selling effortless. - Peter Drucker. Discuss this statement by clearly bringing out the difference between marketing & selling with reference to relevant terms such as 'Form, Package, etc.