

IC-104

Fellowship

# EXAMINATION QUESTION PAPERS MAY 2007



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

Price Rs. 20/-

**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 the various determinants of Elasticity of demand for a commodity.	15
	b) What is Income Elasticity Demand?	5
2.	a) Briefly examine the various costs of production.	15
	b) When does Law of Diminishing returns operate?	5
3.	a) What are the market structures which affect the equilibrium of a firm?	12
	b) Explain whether monopoly is good for a developing economy?	8
4.	Write short notes on :-	5 each
	a) Study of Economics	
	b) Macro-Economics and Micro-Economics	
	c) Variable Costs	
	d) Factors of Production.	

Section- 'B'

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| 5. | "All contracts are agreements but all agreements are not contracts." Elucidate this statement with particular reference to the conditions of a Valid Contract. | 20 |
| 6. | a) Distinguish between Assignment and Negotiability.   | 12 |
|    | b) Explain "Frustration of Contract" giving examples.  | 8  |
| 7. | An Insurance Contract is a contract of "Uberrima Fides." Analyse this concept in the light of Section 45 of the Insurance Act, 1938.                           | 20 |

8. a) What are the disqualifications for being licensed as an insurance agent? 10 each  
 b) Explain the ratio laid down in the case of LIC v/s K.A. Madhav Rao.

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