

IC-104

Fellowship

**EXAMINATION  
QUESTION  
PAPERS  
NOV. 2006**



भारतीय बीमा संस्थान

**INSURANCE INSTITUTE OF INDIA**

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## FELLOWSHIP EXAMINATION

### RISK MANAGEMENT

Time: 3 Hours]

[Total Marks : 100

Answer any **FIVE** questions only.  
All questions carry 20 marks each.

- |   | Marks   |
|---|---------|
| 1. a) Give an outline of a written corporate risk management policy for a medium size company.  | 10      |
| b) What are the benefits of such a policy?  | 6       |
| c) What are the disadvantages?  | 4       |
| 2. Distinguish between :-   | 10 each |
| a) Private Costs and Social Costs   |         |
| b) Risk Handling Costs and Loss Costs.  |         |
| 3. "In the ultimate analysis, purchase of insurance cannot be dispensed with by a corporate enterprise." Give reasons in support of this statement. | 20      |
| 4. a) Identify  | 14      |
| i) Costs and  |         |
| ii) Benefits of Loss Prevention   |         |
| b) i) Give examples of risk avoidance measures.   | 3       |
| ii) Identify the costs of risk avoidance.   | 3       |
| 5. a) Mention the areas of risk management where probability concepts can be applied.   | 15      |
| b) Why and how subjective probability is used by a risk manager?  | 5       |
| 6. Describe the role of risk manager in   | 10 each |
| a) Risk identification  |         |
| b) Risk evaluation  |         |

7. Write short notes on :
- a) Charging of losses to operating costs.
  - b) Corporate risk attitudes
  - c) Monitoring and review of risk management
  - d) Risk financing by borrowing
8. Identify the
- a) Similarities and
  - b) Differences between personal risk management and corporate risk management.

20

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