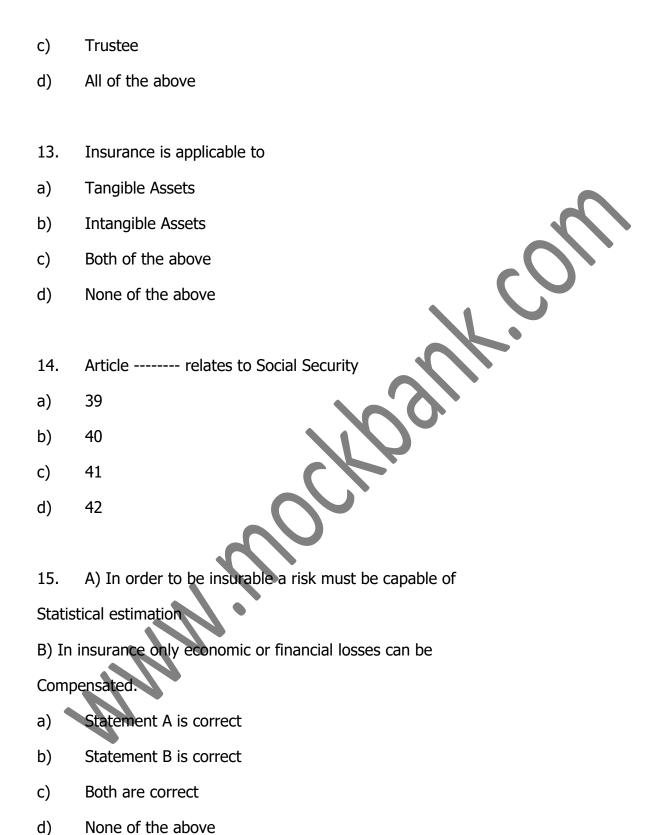
## **2007 IRDA Agent Licensing – Sample Question paper**

- 1. Insurance is a mechanism to reduce impact of adverse events on
- a) Non-value generating assets.
- b) Value generating assets.
- c) Current assets
- d) Fixed assets
- 2. Perils could be
- a) Uncertain
- b) Certain
- c) Definite
- d) Unlikely
- 3. Insurance is a function of
- a) Uncertainty
- b) Life
- c) Society
- d) Loss
- 4. Insurance works on the principle of
- a) Sharing of profits
- b) Sharing of assets
- c) Sharing of losses

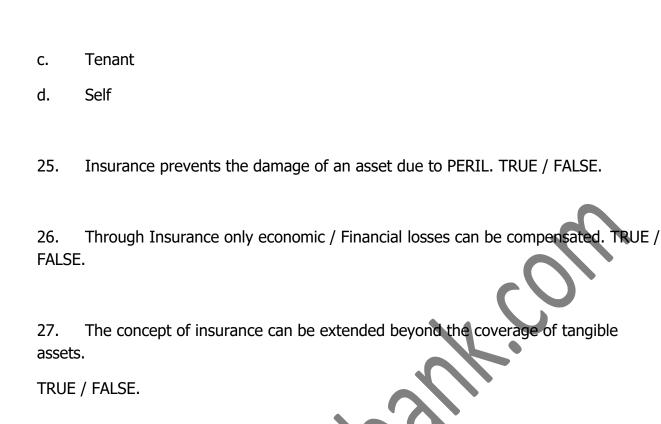
## d) Sharing of expenses

- 5. A) Life Insurance protects the life of the insured.
- B) Life Insurance minimizes the financial impact of untimely death.
- a) A is correct b) B is correct
- c) Both A & B are correct d) Both A & B are wrong
- 6. Occurrence of ----- has to be ----- & not a ----- of the insured person.
- a. peril, uncertain, creation
- b. event, certain, creation
- c. risk, hazardous, profit
- d. event, random, creation
- 7. For getting insurance you need to pay ----- and get compensated by ----.
- a) Compensation, Claims
- b) Claims, Premium
- c) Premium, Claims
- d) Fees, Claims
- 8. ----- is the process, which prevents entry of people who do not share the same risk.
- a) New Business
- b) Valuation
- c) Underwriting

d)	All of the above
0	Life incurance is to the state's effects in social management
9.	Life insurance is to the state's efforts in social management.
a)	Complementary
b)	Supplementary
c)	Elementary
10. the be	The insurance company is in the role of where all decisions are taken for enefit of the community.
a)	Caveat Emptor
b)	Uberrimae Fides
c)	Underwriter
d)	Fiduciary.
11. the lav	To make accurate statistical estimates insurance risks must be handled as per w of
a)	Law of Inertia
b)	Law of Large Numbers
c)	Law of Large Groups
d)	None of the above
12.	The insurer is in the position of of funds
a)	Owner
b)	Partner



16. toge	In the mechanism of insurance, people who are exposed to different risk come ther. TRUE / FALSE.
17.	A human life is an income generating asset TRUE / FALSE.
18. FALS	In order to be insurable a risk must be capable of statistical estimation TRUE / SE.
19.	Insurance is a function of uncertainty TRUE / FALSE.
20.	What is insurance?
Prote	ection of value of assets (ECONOMIC)
	nanism to reduce impact of adverse events on assets. ( VALUE ERATING)
21. TRUI	Damage to asset due to the PERIL IS CALLED Risk which an asset is exposed to E / FALSE.
22.	Life insurance protects the life of the insured. TRUE / FALSE.
23.	Life insurance does not require any consideration. TRUE / FALSE.
24.	In which of the cases Insurable interest does not exist
a.	Spouse
b.	Business Partner



28. Match the following

a. Caveat Emptor 1. False facts

b. Uberrimae Fide 2. Influences premium fixing

c. Misrepresentation 3. Buyer beware

d. Material fact 4. Principle of utmost good faith

29. Caveate emptor and Ubereimae Fide put together mean that while the buyer holds the responsibility of revealing all relevant information from his side the agent is responsible to provide information only if asked for. TRUE / FALSE.

	Caveate emptor and Ubereimae Fide put together mean that while the agent the responsibility of revealing all relevant information from his side the customer consible to provide information only if asked for. TRUE / FALSE
31. TRUE	Almost all insurance policies are a combination of term and endowment policies. / FALSE.
32.	Insurable interest is not defined in the insurance act 1938 TRUE / FALSE.
33.	Insurable interest is not defined in the insurance act 1956 TRUE / FALSE
34.	Insurable interest in defined in the IRDA act 1999 . TRUE / FALSE.
35.	In group insurance, risk of individuals is not assessed TRUE/ FALSE
36. TRUE/	Underwriting is a process which ensures that all insured share the same risk. FALSE
37.	Can an insolvent take a life insurance policy Yes / No
38.	What is the part of surplus that is distributed to policyholders called? (BONUS)
39. event	Which type of life insurance plans entitles the life insured full sum assured in the of either death or survival? endowment

40.	A person's interest in his own life is?
a.	Limited
b.	Restricted to HLV
C.	Unlimited
41. IRDA	Minimum capital for new reinsurance companies entering Indian market as per norms is? 200cr
42.	Which is correct
A) Life	e Insurance contracts do not require consideration.
B) Life	e Insurance contracts require offer and acceptance.
(a)	Statement A
(b)	Statement B
(c)	Both a and b
(d)	None of the above
43.	In India, the Indian Contract Act, governs commercial contracts.
a)	1852
b)	1862
c)	1872

d) 1882 44. Section 45 deals with policies which are \_\_\_old 2 years a) 3years b) c) 4years 10years or more d) 46. Which of the following is not a Material Fact a) **Medical History** b) **Smoking Habit** Earlier Insurance Taken c) d) None of the above 7. Which of the following relate to Material Fact 45. Caveat Emptor a) **Uberrimae Fides** b) Consensus "ad idem" c) d) Legality of Object 46. . Adverse Selection refers to Wrong policies being selected a) b) Lack of consensus ad idem

Substandard lives entering insurance contracts by non-disclosure.

c)

- d) Selection of wrong target segment by insurance company.
- 47. The duty of disclosure in life insurance operates
- a) Till the risk commences
- b) On alteration
- c) On revival
- d) All of the above
- 48. A) All risks are not insurable
- B) Insurance risks must be capable of financial measurement
- a) Statement A is correct
- b) Statement B is correct
- c) Both are incorrect
- d) None of the above
- 49. 11. Insurable Interest is
- a) Defined in Insurance Act 1938
- b) A legal pre-requisite
- c) Both of the above
- d) None of the above

- 50. A) Facts which everyone is supposed to know need not be disclosed
- B) Facts which lessen the risk need to be disclosed
- a) Statement A is correct
- b) Statement B is correct
- c) Both A & B are correct
- d) Both A & B are wrong
- 51. Insurance contracts are subject to two additional principles viz.:
- a) Caveat Emptor, Uberrimae Fides
- b) Caveat Emptor, Consensus "ad idem
- c) Caveat Emptor, Capacity to Contract
- d) Uberrimae Fides, Insurable Interest
- 52. A) The proposer can decide which fact is material
- B) Material facts help in deciding the premium
- a) Statement A is incorrect
- b) Statement B is incorrect
- c) Both statements are incorrect
- d) None of the above is correct

- 53. A) Hazardous profession can affect the premium
- B) A commercial pilot's premium would be different from that of a Teacher of the same age
- a) Statement A is incorrect
- b) Statement B is incorrect
- c) Both statements are incorrect
- d) Both statements are correct.