

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) What are the circumstances under which a 'Consent' is said to be free in a contract? b) Can a married woman enter into a contract? Explain in detail the consequences of such a contract. c) A Contract of Insurance is not a wagering contract : Do you agree with this statement? If so, why? d) Explain in detail with examples the concepts of "Frustration of Contract."	5 each
2.	a) What is a contract of guarantee? When does a surety get discharged in a contract of guarantee? b) A contract of insurance is a contract of "Uberrima Fides." Explain in detail the concept of Uberrima Fides. c) What is an Assignment? What are the rights of an assignee? Can he make nomination? d) Can an Insurance Agent procure business before obtaining licence? Is the insurer barred from paying commission in such cases?	5 each
3.	Describe the following : a) How agency is created? b) Arbitration clause applicable to insurance policies.	10 each
4.	a) Explain the necessity of compliance with section 64 VB of Insurance Act. b) Discuss the relaxations of section 64 VB permissible under the said statute.	10 each

Section 'B'

5. Profits can be maximised by bringing down the costs of production. Do you subscribe to this view? What are the various costs of production? 20

6. Discuss in detail the determinants of elasticity of demand of a commodity? 20
7. Monopoly affects the quality of product. Is it so? Critically examine nationalisation vis-à-vis privatisation of Insurance Industry in India. 20
8. Write short notes on the following : 5 each
- a) Accord and satisfaction
 - b) Hereditary commission
 - c) Oligopoly
 - d) Prohibition of rebates

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