

OCTOBER, 2010

FG-87

**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. | Discuss in detail with examples the Agreements which are void under the Indian Contract Act. | 20 |
| 2. | a) Define a Contract of Indemnity. Explain in detail the rights of an indemnity holder. | 12 |
| | b) How does an insurance Contract differ from an Ordinary Contract? | 8 |
| 3. | a) Enumerate the circumstances under which a contract of insurance is discharged. | 12 |
| | b) What is a 'Cover Note'? How far the insurer is liable when a cover note is issued? | 8 |
| 4. | a) What are the provisions of Section 64 VB of Insurance Act, 1938? | 10 each |
| | b) How are the requirements of Section 64 VB are relaxed in following cases: | |
| | i) Policies issued for a period of more than one year. | |
| | ii) Marine covers other than Hulls. | |
| | iii) Policies of reinsurance. | |
| <u>Section 'B'</u> | | |
| 5. | a) Define Economics. When does a firm attain equilibrium? What are the factors which affect the price of a commodity in the market? | 12 |
| | b) What does income elasticity of demand indicate? | 8 |
| 6. | Distinguish between Fixed Costs and Variable Costs. What are the factors which affect the demand for a particular commodity other than its price? | 20 |

7. a) Distinguish between Planned Economy and Market Economy.
b) Differentiate Monopoly and Perfect Competition.

10 each

8. Write short notes on **any four** :-
a) Frustration of Contract
b) Perfect Competition.
c) Factors of production
d) Consideration in Insurance Contract.
e) Bailment.

5 each

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