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Register Number:

DATE:11-03-2021

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**UG – V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2021**

(EXAMINATION CONDUCTED IN MARCH 2022)

**BC DEB 5618: Principles and Practice of Life Insurance**

**Time- 2 ½ hrs Max Marks-70**

**This paper contains 2 printed page and four parts**

**Section A**

**I.** Answer ***any five*** of the following (**2 x 5 = 10 marks)**

1. Define risk with suitable examples.

2. Explain the concept of utmost good faith.

3. What is a unilateral contract?

4. Name two distribution channels of life insurance.

5. List any two information that you need to gather before purchasing a life insurance product.

6. What is Credit Life Insurance?

**Section B**

**II.** Answer ***any three*** of the following (**5 x 3 = 15 marks)**

7. Write a note Consumer Protection Act

8. Explain the importance of life insurance.

9. Write a note on the Consumer Protection Act.

10. Explain the types of term life insurance.

**Section C**

**III.** Answer ***any two*** of the following (**15 x 2 = 30 marks)**

11. Briefly explain the types of life insurance.

12. Differentiate between Whole life insurance and Term Life insurance

13. Define Indian contract act and explain the essentials of a valid contract

**Section D**

**III. Answer the following (15marks)**

14. Janani and Tushar are aged 40. Tushar is a highly paid executive earning Rs.170, 000 per year. Janani hasn’t worked since having their two children aged 11 and 9 but used to work as a kindergarten teacher. They live close to the city in a house valued at Rs.1.5M with a mortgage of Rs.600, 000. Both children attend private schools. On Tushar’s income they are able to comfortably afford living expenses, school fees and the mortgage and have accumulated Rs.50, 000 in savings. What if Janani and Tushar don’t have insurance? Tushar maintains a regular fitness routine but has an unexpected heart attack while jogging one morning. Because he is not found by passer-by until too late Tushar dies on the way to hospital. Although still in mourning Janani has to take stock of her finances. She makes plans to return to work but on her salary of Rs.50, 000 she will be unable to meet the mortgage payments and private school fees. Janani decides she has to sell the family home, purchase a house in the outer suburbs and enroll the children in the local public school. Just when Janani and the children need the support of their friends and neighbors the most they have to give up the family home, move far away from their support networks and start a substantially different life than before.

1. Which policy would have best suited Tushar and Janani (1mark?)
2. Why do you suggest this policy? (2 mark)
3. What are the benefits of having a life insurance policy? (3marks)
4. At what age do you think Tushar and Janani should have taken a life insurance Policy? (2 mark)
5. What do you think is the reason why they did not purchase an insurance policy? (2 Marks)
6. Do you think this situation would have been avoided if they had planned their income efficiently and opted for an insurance policy? Justify. (2marks)
7. List the products of life insurance that you suggest Janani as an insurance agent (3 marks)