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(July)

BUSINESS ADMINISTRATION

(Honours)

(Risk Management and Insurance)

[BBAH–403 (a) (FM)]

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

PART—A

(*Marks* : 15)

1. What is expected cost of loss? 3

Or

Outline three objectives of risk management.

2. How is skewness useful in risk management? 3

Or

What do you mean by risk exposure?

3. Pooling of risk helps in risk reduction. Do you agree? Why? 3

Or

Mention the factors affecting the demand for insurance by business.

4. Elaborate marine insurance. 3

Or

What is the usefulness of reinsurance?

5. Explain the term 'insurance'. 3

Or

What is fair premium?

PART—B

(*Marks* : 50)

6. What are the various loss exposures in business and how are they identified? 10

Or

Explain the methods of managing risk.

7. What is VaR? By using an imaginary example, show the calculation of VaR. 10

(3)

Or

"Use of probability helps in risk assessment."
Elaborate.

8. Explain the pooling arrangement of
uncorrelated losses and correlated losses.   10

Or

What are the factors that affect the demand
of individual insurance? Explain five of such
factors.

9. "Adverse selection and moral hazard limit
insurability of risk." Elaborate.   10

Or

Give an account of insurance business of
private nonlife companies in India.

10. What is fair premium? Explain its
determinants.   10

Or

Explain the objectives of claim management.

(4)

PART—C

(*Marks* : 10)

11. From the following particulars, find the
variability and symmetry in the data and
interpret them :   10

Insurance Premium Collected

Year	Company—A ₹ (in cr.)	Company—B ₹ (in cr.)
2014	48	57
2015	89	88
2016	62	112
2017	75	130
2018	120	152
2019	98	140

★★★