

**MASTER OF BUSINESS ADMINISTRATION
(MAFCI)**

Term-End Examination

June, 2013

**MCNE-071 : RISK MANAGEMENT AND
INSURANCE**

Time : 3 hours

Maximum Marks : 100

Note : Attempt any five questions. All questions carry equal marks.

1. Select a company of your choice. Explain the business model of the selected organization. Perform risk mapping and risk response analysis. Highlight the critical areas and your recommendations.
2. Describe the features of two selected insurance products (one life and other non - life) of any insurance player(s) of your choice. Comment on the marketing strategy adopted by the respective insurer.
3. Define reinsurance. Briefly explain the role of reinsures and capital requirements. Illustrate the various types of reinsurance arrangements.
4. What are the powers, functions and duties of IRDA and critically evaluate these.

5. (a) What is indemnity ? Is it applicable to all classes of insurance ? Give reasons for your answer.
- (b) The insurance business model is mathematical application of probability theories. Comment.
6. Briefly comment on *any two* of the following statements :
- (a) Risk Management suffers from the problem of duality.
- (b) Hedging benefits promote speculation.
- (c) Risk revolves around business strategy.
7. (a) State the various principles underlying insurance business.
- (b) Explain the importance of twin financial objectives of an insurance company in formulation of financial strategies giving examples.
8. Briefly describe *any three* of the following terms :
- (a) Riders
- (b) Solvency Margin
- (c) Third party Administrators
- (d) Bancassurance
- (e) Perils and Hazards
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