May, 2012

FELLOWSHIP EXAMINATION
LAW & 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.

Section `A'

Q.1. a) How does section 64 VB of Insurance Act 1938 protect the interest of an Insurer ?  
b) What is an ‘Arbitration Agreement’? Distinguish between Valuer and Arbitrator.

c) Mistake and misrepresentation
d) Definition of proximate cause

Q.2. a) What is a ‘Cover Note’ ? How far the insurer is liable for a cover note?  
b) Explain in detail the circumstances under which an insurance contract is discharged ?

Q.3. a) Distinguish between contract of indemnity and contract of guarantee.

b) ‘Insurable interest is essential for a contract of Insurance’. Do you subscribe to this view ? When should it exist in a life insurance contract ?

Q.4. a) Enumerate the circumstances under which a surety get discharged.

b) Method of termination of agency.

Section `B'

Q.5. Describe the meaning of elasticity of supply and elasticity of demand. Point out the importance of their concepts in economics.

Q.6. Briefly explain the various costs of production. Have costs of production got any relation with profits of a firm ?

Q.7. What are the various factors of production ? Explain their inter-dependence.

Q.8. Write short notes:-
   a) Accord and Satisfaction
   b) Insurance has to be sold rather than bought
   c) Perfect Competition
   d) Bailment

END

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