Time allowed: 2 hrs 30 min   Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means.** In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	**50**

Section A

Q1. What is asymmetric information problem? Explain the different types of asymmetric information problems.
Relate each asymmetric information problem to the insurance industry

Q2. What is an annuity contract? How annuity contract is different from life insurance contract?

Q3. Explain the following for life insurance contracts:

a) Misrepresentation of age provision
b) Incontestability provision

Q4. What is Good Health Declaration form? How can this form help the insurance company to take the right decision?

Q5 What is reinsurance? How reinsurance can be useful to the insurance companies?

Section B

Q1. What are the different types of charges applied on life insurance products? Explain briefly

Q2.a) Mr. Raghav, aged 45 is working in a private company as a Vice President, HR. He plans to retire at 57. His spouse is a home maker and two kids are of age 12 and 10. Which insurance products would you recommend for him and why?

Q2.b) . Ms. Riya, aged 32 is working in a multinational company, earning 15 lacs p.a. She is the only child of her parents. Her parents are senior citizens and are dependent on her. What type of insurance products would you suggest for her? Explain the products in details.

Q3. On what basis pricing of life insurance products is calculated? What are the main objectives of insurance companies while pricing life insurance products?

Section C

Q. A) Explain the importance of Human Life Value (HLV).

B) What are the factors considered while calculating the HLV?

C) Mr RK Sharma working as a Sr. Manger with an IT firm, his age is 35. His wife Soniya is a house wife aged 32 .RK Sharma is having 1 daughter aged 3 years .He told he want to plan for his daughter's education for that he needs 12 lac and he want to spend his retirement life in his own house for that he need 25 lac
Following are the details of his saving and expenses
Rent 15000/ monthly
Grocery   10000/ monthly
Education fees 5000/ monthly
Other houses hold exp 10000/ monthly
Loan due
Car 300000/
Personal 100000/
Credit card due 25000/
Savings
FD 100000
MF 150000
Money in saving A/C 100000
Life insurance 500000/

Calculate the present HLV in 2 scenarios
1) Without considering his dreams and aspirations i.e. daughter's education
2) Considering his aspiration i.e. is daughter's education
* Assuming no reduction in expenses in case of RK Sharma's death and without considering the inflation factor