Jan. 2007

Subject Code—5825-X

M.I.B. (Second Year) EXAMINATION

(Re-appear)

MIB-203

ECONOMICS OF INSURANCE

Time : 3 Hours   *Maximum Marks : 100*

Note : Attempt any *Five* questions. All questions carry equal marks.

1. Define economics and economic analysis. Discuss in brief the factors that represent the changing nature of insurance business profile. What is the concept of equilibrium ? Provide some live examples.

2. Write short notes on the following :

   (a) Saving and investment schemes vis-á-vis insurance business

   (b) Tax benefits under insurance policies.

P.T.O.

3. "The role of the public sector can be the best in the world, if the firms are able to satisfy all concerned stakeholders." Discuss the statement with suitable live examples with reference to economics of public enterprises.

4. Discuss and epitomize the concept and types price elasticity in detail. Give examples of demand elasticity in insurance business.

5. Describe various insurance products. Discuss the trends and realities of economics behind these products in global economy in recent times. Give some practical examples.

6. "Firms which systematically analyze and diagnose the cost and revenue analysis are more effective in price determination than those which don't." Elucidate.

7. Talk about and exemplify the need, importance and principles of premium determination and economic logics for the purpose. Give some case studies from Indian insurance business.

8. How surrender value is different from paid-up value of premium ? Calculate through economics as to when and how someone who is insured can get maximum benefits in such situation ?