

Roll No																			
---------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester Mid Term, March 2026

Date: 11/03/2026

Time: 02:00 PM - 03:30 PM

Course Code: MBA3075

Course Name: Insurance and Risk Management

Semester: Fourth Semester

Max. Marks: 50

Weightage: 50%

CO - Levels	CO1	CO2
Marks	32	38

Part A: Answer Following Questions. 15 M

Qn.No	Questions	M	CO	BT
1	Differentiate between pure risk and speculative risk with one practical example for each.	3	CO1	BT2
2	Explain any three objectives or outcomes of risk management in the context of a small manufacturing company.	3	CO1	BT2
3	List any three requirements of insurable risk and explain how they apply in case of fire insurance.	3	CO1	BT2
4	How does risk retention differ from risk transfer? Illustrate with a business example.	3	CO1	BT2
5	Explain the principle of Utmost Goodfaith and also state what may happen if the principle is violated in a Insurance Contract.	3	CO2	BT2

Part B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
6	A retail store faces frequent shoplifting incidents and occasional fire hazards. Using the risk management process, explain how the store manager should: a) Identify and evaluate potential losses; and b) Select appropriate risk management techniques	10	CO1	BT3
7	A transport company owns 20 trucks operating across different states.	10	CO1	BT3

Analyze the different types of risks faced by the company. Also suggest suitable risk control and risk financing techniques for each type of risk with justification.

Part C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
8	<p>A factory decides to insure its building and machinery against fire. Explain how the following principles of insurance will apply in this situation:</p> <ol style="list-style-type: none"> 1) Indemnity 2) Insurable Interest 3) Subrogation <p>Support your answer with practical illustrations.</p>	10	CO2	BT1
9	<p>Mr. Arun applies for a life insurance policy but hides the fact that he is undergoing treatment for a heart condition. After two years, he dies due to a heart attack.</p> <p>Analyze the case using:</p> <ol style="list-style-type: none"> a) Principle of utmost good faith b) Insurable risk characteristics c) Legal consequences for non-disclosure <p>Provide a reasoned conclusion on whether the claim would be settled.</p>	10	CO2	BT4

Part D: Answer Following Questions. 15 M

Qn.No	Questions	M	CO	BT
10	<p>A food processing company operates in a rented building. The company owns machinery, employs 50 workers, and distributes products to supermarkets.</p> <p>Recently, the company faced the following issues:</p> <ol style="list-style-type: none"> a) Minor fire accident in the storage area b) Injury to a worker during machine operation 	15	CO2	BT4

c) Customer complaint about food contamination

d) Temporary shutdown due to electrical failure

As a risk management consultant, analyze the situation and prepare a structured response covering:

a) Identification and classification of different types of risks involved

b) Application of the risk management process to the company

c) Selection of appropriate risk treatment techniques.