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Course Code

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Fourth Semester MBA Degree Examinations, October/November 2025
RISK MANAGEMENT AND INSURANCE

Duration: 3 hrs

Max. Marks: 100

Note: 1. Answer any **FOUR** full questions from Question No. 1 to 7.
2. Question No. 8 is compulsory
3. Missing data, if any, may be suitably assumed

<u>Q. No</u>	<u>Question</u>	<u>Marks</u>	<u>(RBTL:CO:PO)</u>
1	a. Interpret risk management.	03	(2:1:1)
	b. Write a short note on work related injury.	07	(2:1:1)
	c. Explain sources of risk in detail.	10	(2:1:2)
2.	a. Interpret severity method and mention formula.	03	(3:2:2)
	b. Explain risk management matrix in detail.	07	(3:2:2)
	c. Outline risk financing techniques.	10	(3:2:2)
3.	a. Explain insurance and mention its types.	03	(2:3:1)
	b. Distinguish between insurance Vs gambling.	07	(4:3:1)
	c. Elucidate duties and powers of IRDA Act 1999.	10	(3:3:4)
4.	a. Mention the features of life insurance.	03	(2:4:1)
	b. Distinguish between Annuity Vs Life Insurance	07	(3:4:4)
	c. Describe various types of life insurance policies.	10	(3:4:4)
5	a. Describe health insurance.	03	(2:5:3)
	b. Explain factors to be considered for premium fixing.	07	(3:5:2)
	c. Outline a detailed note on fire insurance.	10	(4:5:3)
6.	a. Explain "Pure Risk".	03	(2:1:1)
	b. Distinguish between risk Vs uncertainty.	07	(4:1:2)
	c. Summarize the methods of handling risk.	10	(3:2:3)
7.	a. Explain ULIPs.	03	(2:5:3)
	b. Outline a note on Mediclaim policy.	07	(5:5:2)
	c. Explain various types of general insurance policies.	10	(5:5:5)

Case Study

ABC Tech Solutions Pvt. Ltd., a Bengaluru-based mid-sized IT services firm with over 500 employees, decided to revamp its employee welfare strategy in 2023. Understanding that financial security is a key pillar of employee satisfaction and retention, the HR team partnered with a reputed insurer to launch a **comprehensive Employee Group Insurance Scheme**.

The policy included:

- **Group Health (Mediclaim) Insurance:** Covered hospitalization, maternity, day-care surgeries, and COVID-related treatments for employees and their immediate family members.
- **Group Personal Accident (GPA) Policy:** Provided coverage in case of accidental death or disability—either partial or total.
- **Group Term Life Insurance:** Paid a fixed sum insured to the employee's nominee in the unfortunate event of the employee's death.

Premiums were **100% employer-funded**, and employees were given the option to purchase **top-up coverage** or **family floater extensions** at group-discounted rates.

The policy helped ABC Tech improve employee morale and job loyalty. Over the next 12 months, absenteeism reduced slightly, and several employees expressed satisfaction with the company's concern for their welfare.

However, the program wasn't without challenges:

- **Awareness Gap:** A significant portion of employees—especially new recruits—remained unaware of the full scope of benefits available to them.
- **Lack of Customization:** Employees had different needs (e.g., unmarried vs. married with children), but the group policy offered uniform coverage to all.
- **Claim Process Confusion:** Some employees found the claim submission and reimbursement process too complex or slow.

To enhance impact, ABC Tech is now considering a **flexi-benefit insurance model**—where employees can select insurance components based on their needs, like cafeteria-style plans.

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| a. Discuss the advantages of employee group insurance for both the employer and employees. How does it contribute to organizational effectiveness and employee retention? | 10 | (4:5:5) |
| b. What are the typical limitations of group insurance plans in the workplace? | 10 | (4:5:4) |

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