

Principle of Commerce (English Medium) - 11th Class Principle of Commerce Chapter 18 Short Questions Preparation

Q1. Define Insurance

Ans 1: "Insurance means undertaking by a company, society or the state to provide safeguard against loss, provision against sickness, death, etc. in return for regular payment.

Q2. State some of the important principles of insurance.

Ans 1: i- Insurable interest ii- Utmost good faith

Ans 2: iii- The Principle of indemnity iv- Doctrine of contribution.

Ans 3: v- Attainment of risk

Q3. What are the important types of life insurance.

Ans 1: a- Straight life b- Limited payment life

Ans 2: c- Single premium life. d- Endowment life policy e- Term assurance.

Ans 3: f- Group life insurance g- Jiwan sathi insurance.

Q4. State the brief insurable interest.

Ans 1: Insurable interest may be defined as a financial interest in the subject matter of contract. No person can enter into a contract with an insurance company unless he has an insurable interest in the object.

Q5. What are the important types of insurance.

Ans 1: i- Marine insurance ii- Fire insurance iii- Life assurance

Ans 2: iv- Accidental insurance.

Q6. Define Accidental insurance.

Ans 1: The insurance policy in which the insurance company promises to compensate all the losses of the insured caused by an accident.

Q7. What are the important conditions and requirements of marine insurance.

Ans 1: i- The insured must have insurable interest in the property insured.

Ans 2: ii- The insurer shall promise to the insured that the ship is in a good condition and can face the ordinary perils of the sea.

Ans 3: iii- The insured must also get a guarantee that the voyage of the ship is lawful. The illegality of the venture makes the contract of insurance void.

Q8. State some conditions of fire insurance.

Ans 1: i- In fire insurance the insurer promises the insured to indemnify the loss due to fire.

Ans 2: ii- The risk covered by the contract is due to fire on any course which may be the approximate cause of damage.

Ans 3: iii- Fire insurance contract is renewed year after year.

Q9. What are the important kinds of marine insurance.

Ans 1: i- Voyage policy ii- Time policy iii- Mixed policy

Ans 2: iv- Valued policy v- Unvalued policy vi- Composite policy

Ans 3: vii- Floating policy viii- Fleet insurance policy

Q10. State the important kinds of accidental insurance.

Ans 1: i- Property's accidental insurance.

Ans 2: ii- Motor cycle and car's accidental insurance

Ans 3: iii- Personal accidental insurance.
