



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF ENGINEERING

DEPARTMENT OF MECHANICAL ENGINEERING

UNIVERSITY EXAMINATION FOR:

BACHELOR OF MECHANICAL ENGINEERING

BMS 4204: INSURANCE

END OF SEMESTER EXAMINATION

SERIES: AUGUST 2017

TIME: 2HOURS

DATE: Aug 2017

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

QUESTION ONE

- a. Discuss procedurally the steps involved in taking out general insurance only. (12Mks)
- b. Identify and explain at least five common policies covered by accident department. (10Mks)
- c. Explain the benefits of insurance markets. (8Mks)

QUESTION TWO

.a. Write short notes on each of the following:

- i. term assurance (2 Mks)
- ii. whole life assurance (2 Mks)
- iii. endowment assurance (2 Mks)

iv. under –insurance (2 Mks)

v. Insurance premium (2 Mks)

b. Describe with examples the risks covered by each of the following types of insurance.

i. Fidelity guarantee

ii. Third party

iii. Mortgage protection

iv. endowment (10Mks)

QUESTION THREE

a.Explain the three essentials of a contract of insurance. (10Mks)

b.Explain how insurance is affected at Lloyd's. (5Mks)

c.Explain how insurer fix premium. (5Mks)

QUESTION FOUR

a. Write short notes the type of risks.

a) Financial risk

b) Operational risk

c) Capital risk

d) Liquidity risk

e) Interest rate risk (20Mks)

QUESTION FIVE

Describe the process of risk management. (20Mks)