

CBSE | DEPARTMENT OF SKILL EDUCATION

INSURANCE (SUBJECT CODE-814)

CLASS XI (SESSION 2021-2022)
MARKING SCHEME SAMPLE QUESTION PAPER FOR TERM - II

Max. Time Allowed: 1 ½ Hours (90 min)

Max. Marks: 30

General Instructions:

1. Please read the instructions carefully
2. This Question Paper is divided into 03 sections, viz., Section A, Section B and Section C.
3. Section A is of 05 marks and has 06 questions on Employability Skills.
 - a) Questions numbers 1 to 4 are one mark questions. Attempt any three questions.
 - b) Questions numbers 05 and 06 are two marks questions. Attempt any one question.
4. Section B is of 17 marks and has 16 questions on Subject specific Skills.
 - a) Questions numbers 7 to 13 are one mark questions. Attempt any five questions.
 - b) Questions numbers 14 to 18 are two marks questions. Attempt any three questions.
 - c) Questions numbers 19 to 22 are three marks questions. Attempt any two questions.
5. Section C is of 08 marks and has 03 competency-based questions.
 - a) Questions numbers 23 to 25 are four marks questions. Attempt any two questions.
6. Do as per the instructions given in the respective sections.
7. Marks allotted are mentioned against each section/question.

SECTION A

(3 + 2 = 5 marks)

| Answer any 03 questions out of the given 04 questions | | 1 x 3 = 3 |
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| Ans.1 | A business plan is a detailed plan of what an entrepreneur wants to achieve through the business and how it will be achieved. | 1 |
| Ans.2 | The meaning of attitude is one's tendency to respond in a certain way towards a certain idea, object, person, or situation. | 1 |
| Ans.3 | NAPCC-National Action Plan on Climate Change. | 1 |
| Ans.4 | Any one example of Green Projects: *Swachh Cooperative *DEEP Modern Chulha Society of Development and Environment Protection(DEEP) *Enbiolet Green Solution Foundation (GSF) | 1 |

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| Answer any 01 question out of the given 02 questions | | 1 x 2 = 2 |
| Ans.5 | <p>Manufacturing Business is one that converts raw materials into finished products to meet the demands of the customer. In this form of business, the finished product can be directly sold to the customer. A factory that produces purified packaged drinking water is an example of manufacturing business.</p> <p>Trading Business does not manufacture a good or product but only facilitates the act of bringing the finished goods from the manufacturing unit to the buyer or customer. A pharmacy selling medicines produced or manufactured by different pharmaceutical companies is a trading business.</p> | 2 |
| Ans.6 | <p>Role of private agencies (Any two of the following):</p> <ul style="list-style-type: none"> *The role of private agencies includes following laws and policies made by the government. *Reporting people or groups who break the law. *Providing information to the government and helping it implement green policies. | 2 |

SECTION B

(5 + 6 + 6 = 17 marks)

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| Answer any 05 questions out of the given 07 questions | | 1 x 5 = 5 |
| Ans.7 | Nomination means nominating a person to receive the benefits of a Life Insurance Policy. The person so nominated is called the Nominee. | 1 |
| Ans.8 | An annuity is an insurance product that pays out regular income. It is often as part of a retirement portfolio. | 1 |
| Ans.9 | ULIP: Unit Linked Insurance Plan | 1 |
| Ans.10 | The investment is denoted as units and is represented by the value that it has attained called as Net Asset Value (NAV). | 1 |
| Ans.11 | Surrender Value is the amount payable to the policyholder by the Insurer, if he/she decides to exit the policy before maturity period. | 1 |
| Ans.12 | An advance made by a life insurance company to a policy owner. The advance is secured by the cash value of the policy. | 1 |
| Ans.13 | A Life Insurance policy is rendered void, if the Life Assured commits suicide at any time or after the date on which the risk under the policy has commenced but before the expiry of one year from the date of commencement of the policy. | 1 |
| Answer any 03 questions out of the given 05 questions | | 2 x 3 = 6 |
| Ans.14 | <p>Any two reasons:</p> <ul style="list-style-type: none"> *A nomination can be changed or cancelled either by an endorsement at the back of the policy or by making a will. *In the case of change or cancellation by a will, notice of such cancellation or change would be required from the executors of the will after the death of the insured. *In case of change or cancellation through endorsement, it should be notified to the LIC for registration in its records. | 2 |

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| Ans.15 | The two ways in which the individual receives the annuity payout: Immediate annuity- he begins to receive payments soon after the initial investment.This is ideal for someone approaching retirement age. Deferred annuity-it accumulates money as opposed to paying out annuity regularly.Deffered annuity can be converted into immediate annuity based on the individual's preference. | 2 |
| Ans.16 | ULIP: means Unit Linked Insurance Plan. *It combines the characteristics of a mutual fund and life insurance product. *Risk entirely on Policy Holder. Traditional Insurance Plan *do not provide any option to the Policy holder to choose between various asset classes and the investments are made solely at the discretion of the insurance company. *Considered to be risk free. | 2 |
| Ans.17 | Grace Period-The time usually 31 days during which a policy remains in force after the premium is due but not paid.The policy lapses as of the day the premium was originally due unless the premium is paid before the end of the 31 days or the insured dies. | 2 |
| Ans.18 | The death claim amount is payable in case of policies where premiums are paid up to date or where the death occurs within the days of grace.On receipt of intimation of death of the Life Assured the Branch Office calls for the following requirements: Claim form A- Claimants statement giving details of the deceased and the claimant. <ul style="list-style-type: none"> • Certified extract from Death Register • Documentary proof of age if age is not admitted • Evidence of the title of the deceased life if the policy is not nominated or assigned. • Original Policy Document | 2 |
| Answer any 02 questions out of the given 04 questions | | 3 x 2 = 6 |
| Ans.19 | Essential components of Insurable interest: *There must be some property, right, interest, life, limb or potential liability which is capable of being insured. *Any of the above i.e. Property, right, interest etc must be subject matter of insurance. *The insured must have a formal or legal relationship with the matter which is the subject of insurance. *The relationship between the insured and the subject matter of insurance must be recognised by law. | 3 |

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| <p>Ans.20</p> | <p>Factors for selecting ULIP (Any three)</p> <p>*Understanding the Concept of ULIP: One should understand the concept of ULIP thoroughly. Read all literature, material available on web sites and brochures circulated by Insurance Company and try to understand the constraints and benefits of the plan that you are selecting.</p> <p>*Focus on your requirements and risk profile: Understand all the charges levied on the product over its tenure, not just the initial charges. A complete charge structure would include the initial charges, the fixed administrative charges, fund management charges and mortality charges.</p> <p>*Examine the performance of the plan: Compare the performance of the plan with benchmark indices like BSE Sensex or Nifty in the past two or three years to get a better idea about the performance. Ensure that you can easily get information about your NAV when you need it.</p> <p>*Compare ULIP Products of different Insurance Companies: Compare products of different insurance companies in terms of premium payments, cost structure, performance of the scheme, additional facilities such as top up premium and free switch between different fund options.</p> <p>*Know about the Insurance Company: Last but not least, insure with a brand you can trust to honour its commitment and service in accordance to your requirements.</p> | <p style="text-align: center;">3</p> |
| <p>Ans.21</p> | <p>If the policy has lapsed due to non-payment of premium within the due date, the terms and conditions of the policy contract are rendered void, till the policy is revived.</p> <p>A lapsed policy has to be revived by payment of the accumulated premiums with interest as well as giving the health requirements as required. Various types of revivals are as follows:</p> <ul style="list-style-type: none"> • Ordinary Revival: If the revival of the policy is affected within 6 months from the due of the first unpaid premium no personal statement of health is required and the policy is revived on collection of delayed premiums along with interest. • Revival on Non medical basis: For revival of the policy on Non medical basis the amount to be revived should not exceed the prescribed limit of non medical assurance taken by the life assured. • Revival on medical basis: If a policy cannot be revived under ordinary revival on non medical basis it can be revived with medical requirements. The medical requirements will depend on the amount to be revived. | <p style="text-align: center;">3</p> |

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| Ans.22 | <p>Essential features of assignment (Any three)</p> <ul style="list-style-type: none"> • The person assigning the policy must have absolute right or interest vesting in him in respect of the policy. • The assignor must be a major and competent to enter into a contract. • The assignor must not be subject to any legal disqualification. • Assignment must be supported by consideration which may be a valuable consideration in money or a good and moral consideration. • A life insurance policy from LIC may be assigned only after a period of five years. | 3 |
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SECTION C **(2 x 4 = 8 marks)**
(COMPETENCY BASED QUESTIONS)

| Answer any 02 questions out of the given 03 questions | | |
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| Ans.23 | <p>Principle: The principle of Insurable interest is an essential part of every insurance contract and is considered as legal prerequisite for getting insurance.</p> <p>Explanation of Principle: Therefore, you can buy a life insurance policy on someone else's life, provided you have an interest in that person remaining alive, or expect an emotional or financial loss from that person's death. This is the condition of the life insurance company will look for, that is, if you have a true relationship with the person, you have insured and whether there will be an emotional loss or a financial loss in case that person dies.</p> <p>So, a person can take a policy on his own life, his spouse, his children, his parents as he has an Insurable interest in the continuing wellbeing and also stands to face a financial loss in the case of death or if they fall ill. But a person cannot take a life insurance policy in the name of his friend or neighbour as there is no Insurable interest present.</p> | 2 |
| Ans.24 | <p>Many people are faced with the dilemma of whether to revive a lapsed policy or buy a new one. It often happens that a person either forgets or does not have the money to pay the premium for insurance plan. Normally every policy has a grace period varying from 15 to 30 days within which premium can be paid after the due date. However, if the premium is not paid even within the grace period the policy lapses. In the given case the person would have to pay one time payment comprising unpaid premiums for 2 years and late fee. The decision about whether to revive a lapsed term policy or buy a new one will vary from case to case. However, it is advisable not to base your decision merely on premium amount but choose the life insurer of whom you are confident and the policy that suits your needs.</p> | 4 |

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| Ans.25 | <p>ULIP is an insurance product that offers investors the option of both insurance and investment under a single integrated plan.</p> <p>Traditional insurance plans provide benefits like risk cover, fixed income return, safety and tax benefits.</p> <p>ULIPs are being sold as investment vehicles, but it is mainly for those who need insurance and to those who wish to save tax or increase their capital.ULIPs have a minimum lock-in period of 3-5 years whereas the Traditional insurance plan will be locked in till its maturity.Traditional insurance plan must be taken when you want to insure only.But with ULIP you can get the insurance and can also increase the capital.</p> | 4 |
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