91714_Statistics_2013

Item Text	Option Text 1	Option Text 2	Option Text 3	Option Text 4
A sole proprietorship is	Owned and operated by one individual.	It is a bussiness owned by two individuals.	It is a bussiness owned by more than two individuals.	It is a legal entity that is created by authority of governmental unit and is separate and distinct from the people who own it.
A corporation is	Owned and operated by one individual	It is a bussiness owned by two individuals.	It is a bussiness owned by more than two individuals.	It is a legal entity that is created by authority of governmental unit and is separate and distinct from the people who own it.
Which of the following is not the characteristic of bussiness organization as corporation	Can own property	Can buy and sell goods and services	Can sue or besued	Cannot be continued beyond the death of any or all of its owners
Which of the following outcome speculative risk does not involve ?	Change	No change	Loss	Gain

91714_Statistics_2013

Which of the following statement is false related to the pure risk?	It can be insured.	It cannot be insured.	It involves no possibility of gain, either a loss occurs or no loss occurs.	It is possibility of financial loss without the possibility of gain.
Which of the following is not characteristic of insurable risk?		The lost must be defined.	The lost must be significant.	The lost must be catastrophic to the insurer.
Which of the following is an example of speculative risk?	Fire	Purchase of shares of stock	Flood	Accidents
Which of the following is a characteristic of insurable risk?	The loss must be catastrophic to the insurer	The loss rate must not be predictable	The loss must occur by chance.	The risk must not be pure.
The amount of money paid by the insurance company to the policyholder is known as	Premiuns.	Benefit	Interest	Principal

91714_Statistics_2013

The concept of decreasing marginal utility in economics is	Each additional equal increment of wealth results in a smaller increment of associated utility.	Each additional equal decrement of wealth results in a smaller increment of associated utility.	Each additional equal increment of wealth results in a smaller decrement of associated utility.	Each additional equal increment of wealth results in a larger increment of associated utility
For large wealth, the impact of increament is	High	Low	Very low	Very high
The utility function of insurance company is a	Non increasing covex function	Non increasing concave function	Non decreasing concave function	Non decreasing convex function
If utility function of decision maker is non-decreasing and concave, then he is willing to pay an amount	Greater than the expected loss	Less than the expected loss.	Equal to the expected loss	cannot be inperpreted the relation between amount and expected loss

91714_Statistics_2013

Life tables are not used by	Biostatisticians to compare the effectiveness of alternative treatments of serious disease.	Demographers use as tools in population projections.	To build models for insurance systems designed to assist individual facing uncertainty about the time of their death	In formualting Linear Programming Problem
The premiums are calculated on the basis of the number of years an individual is expected to survive	Before he signed the contract	The total number of years of his life.	After he signed the contract	After the age of 45 years of his age.