CHUKA   **UNIVERSITY**

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE

BCOM 440: MARINE INSURANCE

STREAMS: Y4S1   **TIME: 2 HOURS**

DAY/DATE: MONDAY 4/12/2017   **2.30 P.M – 4.30 P.M**

INSTRUCTIONS:

- **Answer question one and any other two questions**

1.   (a) Discuss the information contained in a marine insurance policy.   [14marks]

(b) Concisely differentiate between general average loss and particular average loss.
[6marks]

(c) Warranties are the statement according to which insured person promises to do or not to do a particular thing or to fulfill or not to fulfill a certain condition. Explain the implied warranties in a marine insurance policy.   [10marks]

2.   (a) Whilst the general policy format of marine insurance has remained the same over the ages . Explain the principle of causa proxima as applied in marine insurance.
[10marks]

(b) Describe any five clauses that may be incorporated in a marine policy. [10marks]

3.   (a) Discuss the factors to be considered when calculating the premium to be paid when one wants to insure his vessel against hull risks.   [10marks]

(b) Mr. X had insured his ship, has receives the information that during its voyage it got destroyed completely, he has come to you, explain to him the documents required for a claim in case of total loss.   [10marks]

4. (a) Mr. Juma had insured his cargo under one value and the goods were delivered in a damaged condition . Calculate the particular average loss.   [10marks]

    (i) The cargo was of ksh 200,000 . Half of the goods are damaged which realized ksh 40,000 at destination. If the damaged goods would have realized 80,000 had they reached undamaged.

    (b) Explain the classification of marine insurance giving examples.   [10marks]