

SUBJECT	BUSINESS STUDIES			PRE-TEST		DATE	24 MAY 2025
				SESSION 3			
TOPIC	INVESTMENT: INSURANCE			TIME	15 MIN	MARKS	20
GRADE	12	SURNAME			NAME		

INSTRUCTIONS:	• Answer ALL the questions on the ANSWER SHEET provided. • There is only ONE correct answer for each question. • Read the instructions/questions carefully. • Various options are provided as possible answers to the following questions. • Choose the correct answer and CIRCLE the appropriate LETTER (A–D).
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1	An example of long-term insurance:	
	A	Burglary
	B	Life insurance from Secure insure
	C	Motor vehicle insurance from Outsurance
	D	Cash in transit

2	An example of compulsory insurance payable to Zenna when she lost her job due to retrenchment is:	
	A	Road Accident Fund/RAF
	B	Unemployment Insurance Fund/UIF
	C	Compensation Fund/Compensation for Occupational Injuries •and Diseases Act/COIDA
	D	Temporary Employer/Employee Relief Scheme/TERS

3	GAR Insurance Ltd applies the ... clause when goods are insured for less than their market value.	
	A	security
	B	non-disclosure
	C	re-instatement
	D	average

4	Sam Smith owns a holiday house in Muizenberg valued at R2 million. He insured his house with Pro-Cover Insurers (PCI) for R1 ,5 million. A fire in the main bedroom caused damages of R100 000. He submitted a claim to PCI for the full amount of the damages. Calculate the amount that will be paid out	
	A	R 100 000
	B	R 25 000
	C	R 75 000
	D	R 50 000

5	This stipulation applies when property is over insured, and the insurer replace lost/damaged property instead of reimbursing the insured	
	A	security
	B	re-instatement
	C	average
	D	indemnity

6	The insurance principle ... applies to short term insurance, as the insured is compensated for specified/proven harm/loss.	
	A	Insurable interest
	B	Indemnity/indemnification
	C	excess
	D	Security/certainty

7	The insurance principle ... applies to long term insurance where the insurer undertakes to pay out an agreed upon amount in the event of loss of life.	
	A	insurable interest
	B	indemnity/indemnification
	C	security/certainty
	D	good faith

8	An example of non-insurable risks is ...	
	A	insurance against losses due to cash in transit
	B	insurance against injuries/losses due to road accidents
	C	insurance against losses due to personal liability
	D	insurance against losses from changes in fashion and shoplifting

9	The principle of ... requires the insured to prove that a financial loss will be suffered if an asset is damaged.	
	A	excess
	B	indemnity/indemnification
	C	Insurable interest
	D	security/certainty

10	The insured is responsible for a fixed amount of the claim, when submitting a claim	
	A	indemnity/indemnification
	B	excess
	C	certainty
	D	re-instatement

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