

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

B. COMM (HONS.) INSURANCE & RISK MANAGEMENT DEGREE

EMPLOYEE BENEFIT PLAN – (CIN 2208)

MAY 2003 SECOND SEMESTER EXAMINATION

DURATION 3 HOURS

INSTRUCTIONS TO CANDIDATES

- Answer **five** questions
 - Questions **one** is compulsory
 - All answers carry equal marks
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Question One

Discuss the advantages and disadvantages of having a pension fund as a retirement plan as opposed to relying on the extended family system.

[20 marks]

Question Two

What are the reasons that led to the growth of pension funds in Zimbabwe?

[20 marks]

Question Three

Evaluate the reasons behind the conversions to Defined Contribution Schemes currently underway in Zimbabwe.

[20 marks]

Question Four

Discuss the pros and cons of setting up self-administered schemes as opposed to insured schemes?

[20 marks]

Question Five

“ Social security schemes are a necessary evil” Discuss.

[20 marks]

Question Six

The Pensions Industry is not well understood, despite its impact on the man in the street. What could be done to improve the image of the industry?
[20 marks]

Question Seven

As a pensions administrator for an occupational pension scheme, you have been advised of the death of one of the scheme members.

- a) What documents would you require for benefit payments?
[5 marks]
- b) Why would you require each of these documents?
[5 marks]
- c) What procedures would you have to follow in paying the benefit?
[10 marks]
- [Total 20 marks]**

END OF EXAMINATION PAPER