

Question 5 [25 marks]

- a) How does the number of firms in a market affect the competition in that market?
[15 marks]
- b) What factors do insurance firms consider in setting a price for their products?
[10 marks]

Question 6 [25 marks]

Illustrate how the following affect a person's demand for insurance

- i) Interest rates [7 marks]
- ii) Tax considerations [6 marks]
- iii) Claim's experiences [6 marks]
- iv) Person's level of income [6 marks]

***** **END OF EXAMINATION** *****