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PFRDA Grade A Actuary Phase II 2026 Question Bank

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Nature, Scope And Role Of Management

Q.1 | 1 question

Q.1 Under Taylor's differential piece rate, the wage is Rs 8 per piece for output below the standard of 50 pieces and Rs 10 per piece for all pieces when output is at or above the standard. A worker produces 55 pieces. The wage is:

(A) Rs 550

(B) Rs 440

(C) Rs 400

(D) Rs 450

(E) Rs 500

Leadership, Motivation And Morale

Q.2 | 1 question

Q.2 A major criticism of the trait theory of leadership is that

(A) it was based on experiments in factories using piece rates

(B) it assumes leaders are made through training, not born

(C) it ignores the situation and finds no consistent traits

(D) it treats group cohesion as the cause of leadership

(E) it focuses on follower behaviour rather than the leader

Human Resource Development And Rewards

Q.3 | 1 question

Q.3 In which counselling approach does the counsellor decide, evaluate and instruct, with the employee playing a limited role?

(A) Participative counselling

(B) Non-directive counselling

(C) Directive counselling

(D) Peer counselling

Communication And Information Technology

Q.4 | 1 question

Q.4 Which one of the following statements is incorrect?

(A) A rigid hierarchy can filter or delay messages, an organisational barrier.

(B) Prejudice and inattention are psychological barriers to communication.

(C) Noise and distance are physical barriers to effective communication.

(D) Jargon is a semantic barrier to communication for the receiver.

(E) Feedback increases the barriers to communication in an organisation.

Insurance Principles And Contract Law

Q.5 | 1 question

Q.5 A fact is 'material' in insurance when it:

(A) has been mentioned solely in the agent's confidential report to the insurer

(B) raises the commission payable to the intermediary on the proposal form

(C) relates to the proposer's preferred mode of paying premium instalments

(D) is known to the proposer but has no real bearing on the risk that is being insured

(E) would sway a prudent insurer's decision to accept the risk or fix the premium

Life Insurance And Evolution Of Products

Q.6 | 1 question

Q.6 How does parametric insurance differ from indemnity insurance?

(A) A surveyor measures the actual loss before the claim amount is paid out

(B) The insured has to prove insurable interest when the loss occurs

(C) Payout is triggered by a predefined index, not by the assessed loss

(D) The premium falls due after the insured event has taken place

Pensions, Superannuation And Annuities

Q.7 | 1 question

Q.7 A group gratuity scheme administered by a life insurer primarily funds the employer's liability to pay

(A) A monthly pension to the surviving spouse for the whole of life

(B) A refund of the employee's own contributions together with interest

(C) A lump sum on retirement, death or exit after minimum service

(D) Hospital expenses incurred by employees and their families

(E) Compensation for accidental injury arising at the workplace

Product Pricing And Underwriting

Q.8 | 1 question

Q.8 Consider the following statements on misrepresentation and verification at the underwriting stage of life insurance:
1. A misstatement of age in a life proposal always allows the insurer to cancel the policy and refuse every claim, whatever the correct age may be.
2. A genuine innocent mistake on a trivial matter that has no bearing on underwriting is treated by law in the same way as fraud.
3. Verifying age through documentary proof helps the insurer charge the correct premium, because mortality rates change with age.
Which of the statements given above is/are correct?

(A) 1, 2 and 3

(B) 3 only

(C) 2 and 3 only

(D) 2 only

(E) 1 only

Claims, Reinsurance And Retention In India

Q.9 | 1 question

Q.9 Reinsurance ceded to a reliable reinsurer helps the cedant's solvency position mainly because:

(A) the cedant's available margin is doubled by the reinsurance contract itself

(B) regulators waive the solvency requirements for portfolios that are reinsured

(C) the reinsurer pays the solvency margin requirements of the cedant

(D) required margin is based on net business, so ceding lowers capital needed

(E) ceded premium is treated as free assets of the cedant under the regulations

Investment, Valuation And Solvency

Q.10 | 1 question

Q.10 An insurer has admissible assets of Rs 1,450 crore and liabilities of Rs 1,050 crore. Its required solvency margin is Rs 250 crore. Taking available solvency margin as assets less liabilities, its solvency ratio is:

(A) 140%

(B) 580%

(C) 62.5%

(D) 160%

(E) 420%

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