



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS & ECONOMICS

**UNIVERSITY EXAMINATION FOR THE DEGREE BACHELOR OF LOGISTICS AND
SUPPLY CHAIN MANAGEMENT**

3Rd YEAR 1ST SEMESTER 2022/2023 ACADEMIC YEAR

MAIN CAMPUS

COURSE CODE: BEB1309

COURSE TITLE: LOGISTICS INSURANCE

EXAM VENUE:

DATE: 13/12/2022

EXAM SESSION: 15.00-17.00PM

TIME: 2 HOURS

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INSTRUCTIONS:

- i. **Answer Question ONE (COMPULSORY) and ANY other 2 questions**
- ii. **Candidates are advised not to write on the question paper.**
- iii. **Candidates must hand in their answer booklets to the invigilator while in the examination room.**

Question One (Compulsory)

- a) Distinguish between *conditions* and *warranties* as applied to insurance contracts and illustrate the effect of breach in each case with regard to Logistics insurance
(4 marks)
- b) By use of suitable examples, discuss the scope of cover accorded by Group Life Assurance Policy in addressing Logistics insurance needs
(8 marks)
- c) Explain the use of *extensive clauses* in Logistics insurance contracts (6 marks)
- d) Discuss the relevance of the principle of Utmost Good Faith in Logistics insurance (6 marks)
- e) What's the role of risk control in the management of risk within a named County Government you are familiar with (6 marks)

Question Two

- a) Discuss the various circumstances that could require the use of Liability insurance in a named organization you are familiar with (10 marks)
- b) Explain the role of the Insurance Regulatory Authority (IRA) in Kenya. (10 marks)

Question Three

- a) Jisaidie company Ltd insured its assets against fire loss under three different policies, X, Y and Z as shown below:

Policy	Sum Insured (Kshs)	Value At Risk (Kshs)	Loss (Kshs)
X	6,100,000/=	7,000,000/=	3,400,000/=
Y	5,200,000/=	7,000,000/=	2,200,000/=
Z	2,500,000/=	5,500,000/=	2,800,000/=

If the policies are subject to the Special condition of average, what is the liability of the insurer under each policy ?

(6
marks)

b) Discuss the risk exposures in the procurement process of a business enterprise
(14 marks)

Question Four

a) Your organization specializes in manufacture and sale of Electronic devices. Discuss the main risk categories you are likely to face.

(10 marks)

a) There are various ways of identifying risk. Describe five distinct ways of identifying risk in a given organization with special reference to Logistics insurance

(10
marks)

Question Five

a) By use of appropriate examples, discuss why a property insurance policy may pay less than full indemnity.

(8 marks)

b) “Subrogation is corollary to Indemnity”. How does this impact on logistical risks within an organization you are familiar with?

(12 marks)