



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND
TECHNOLOGY**
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT**
4TH YEAR 2ND SEMESTER 2016/2017 ACADEMIC YEAR
KISII CAMPUS

COURSE CODE: ABA 421

COURSE TITLE: INSURANCE RISK MANAGEMENT

EXAM VENUE:

STREAM: (BBA)

DATE: APRIL, 2017

EXAM SESSION:

TIME: 2 HOURS

INSTRUCTIONS:

QUESTION ONE IS COMPULSORY AND ANSWER ANY OTHER TWO QUESTIONS IN THIS PAPER

QUESTION ONE (30 Marks)

- a) Discuss the essentials of risk management (8marks)
- b) Explain the importance of risk perception among investors in business enterprises (8 marks)
- c) Discuss the difference between speculative risk and pure risk (4marks)
- d) Discuss the key steps that are followed when executing the risk management process (10marks)

QUESTION TWO (20 Marks)

- i) Discuss the principles of risk management in business organization (10 marks)
- ii) Briefly explain the strategies of insurance risk management (10marks)

QUESTION THREE (20 Marks)

- a) Financial institutions prefer crime insurance than regular property insurance. Discuss this statement using relevant examples. (10marks)
- b) Discuss the business aspects highlighted on matters relating to alternate risk management Solvency I and Solvency II (10marks)

QUESTION FOUR (20 Marks)

- a) Insurance Risk management is a management tool for handling events that might adversely impact the business. Discuss. (7 marks)
- b) Illustrate the various techniques of controlling various types of risks in insurance occupations (13 marks)

QUESTION FIVE (20 Marks)

- i) Discuss the importance of value chain analysis in business organizations (10 marks)
- ii) Explain the generic strategies for sustaining competitive advantage in business firms (10 marks)