



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

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**COURSE CODE: ABA 421**

**COURSE TITLE: INSURANCE RISK MANAGEMENT**

**EXAM VENUE:**

**STREAM: (BBA )**

**DATE: APRIL, 2017**

**EXAM SESSION:**

**TIME: 2 HOURS**

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**INSTRUCTIONS:**

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

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**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)