



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT
4TH YEAR 1ST SEMESTER 2015/2016 ACADEMIC YEAR
SPECIAL EXAM

COURSE CODE: ABA 421

COURSE TITLE: INSURANCE RISK MANAGEMENT

EXAM VENUE:

STREAM: (BBA-FINANCE)

DATE: 05/05/16

EXAM SESSION: 11.30 - 1.30 PM

TIME: 2 HOURS

Instructions:

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

QUESTION ONE

- 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 in the risk management process (10marks)

QUESTION TWO

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

QUESTION THREE

- 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

- 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

- 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)