



**JARAMOGI OGINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**SCHOOL OF BUSINESS AND ECONOMICS**

**UNIVERSITY EXAMINATION FOR DEGREE OF BACHELOR OF BSc COMMUNITY  
HEALTH & DEVELOPMENT**

**1<sup>ST</sup> YEAR 2<sup>ND</sup> SEMESTER 2016/2017 ACADEMIC YEAR**

**KENDU BAY LEARNING CENTRE**

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**COURSE CODE: ABA 421**

**COURSE TITLE: INSURANCE RISK MANAGEMENT**

**EXAM VENUE:---**

**STREAM: (BSc. CHD)**

**DATE: 22/12/16**

**EXAM SESSION: 9.00 – 11.00 AM**

**TIME : 2.00 HOURS**

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**Instructions:**

- 1. Answer question 1 (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) Explain the objectives of risk management both before and after a loss occurs (14 marks)
- b) How does fundamental risk differ from particular risk? (6 marks)
- c) With help of illustrations, explain; physical hazard, moral hazard, morale hazard and legal hazard (10 marks)

### **QUESTION TWO**

- a) Explain the functions of a risk manager (10 marks)
- b) With the help of examples differentiate between pure and speculative risks (10 marks)

### **QUESTION THREE**

- a) Briefly explain the steps in the Risk Management Process (10 marks)
- b) Outline the role of government in risk management (10 marks)

### **QUESTION FOUR**

Discuss the principles of insurance. (20 marks)

### **QUESTION FIVE**

Discuss the methods of handling risks. (20 marks)