



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT
3RD YEAR 2ND SEMESTER 2018/2019 ACADEMIC YEAR
KISII CAMPUS-PART TIME**

COURSE CODE: ABA 343

COURSE TITLE: RISK MANAGEMENT IN SUPPLY CHAIN MANAGEMENT

EXAM VENUE:

STREAM: (BBA)

DATE:

EXAM SESSION:

TIME: 2 HOURS

Instructions:

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

QUESTION ONE

- i) There are a number of mechanisms that support good governance in procurement and specifically the prevention of fraud and corruption. Discuss 4 such mechanisms (10marks)
- ii) Discuss 5 risks caused by lack of systematic succession planning (10 marks)
- iii) Using the 4Ts discuss the risk mitigation and management strategies (10 marks)

QUESTION TWO

- i) Most firms tend to introduce risk management in response to outside factors such as scandals, legislation or regulations. They are less likely to introduce risk management because it will help the corporation produce better results. However, there is a strong business case that proactive and systematic risk management has a number of benefits. Discuss briefly 4 benefits of a proactive and systematic risk management approach (12 marks)
- ii) Discuss the role of the board in the process of risk management (8 marks)

QUESTION THREE

- i) You are a manager of a mining firm in the North Eastern Province of Kenya, near the Somalia- Kenya border. Discuss four operational risks your firm is likely to experience (12 marks)
- ii) Insurance purchase is part of risk management portfolio. Discuss 4 types of insurance that a firm can take as a risk management process (8 marks)

QUESTION FOUR

The Wooden Zara is a fashion multinational company. The company's headquarters are in Arteixo, Galicia, Spain. The firm's management have decided to offshore to Asia because of the high labor and input costs in Europe. Discuss the contract terms and clauses that Zara can use to manage the risks identified for low cost country sourcing (20 marks)

QUESTION FIVE

- i) Discuss 4 tools (qualitative or quantitative) that a company may use in assessment of risks (10 marks)
- ii) Discuss the resources needed to deliver an effective risk management strategies (10 marks)