

**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE &  
TECHNOLOGY**

**KISUMU LEARNING CENTRE (May 2014)**

**Course Title:** SOCIAL SECURITY AND PENSION FUND ABA 428

**Course Facilitator:** Rev. Dr. Jonathan William Omolo (DD, PhD)

**Objectives of the Course:**

- i. Understanding the background of social security
- ii. Grounding on types of social security
- iii. Exposure on working of social security in Kenya

**Outline**

**1. Essence of social security**

- General definition
- ILO

**2. Various social security**

- Social insurance
- Services
- Basic security

**3. Various social schemes**

- Means tested
- Non contributory
- Discretionary
- Universal

4. **Social security in Kenya**
5. **Life Contingency:** the survival model & table, select, ultimate & aggregate mortality tables ,expected cash flow under financial contracts involving death & survival
6. **General background to pension funds,** methods of providing pension, funded & unfunded schemes , state schemes ,trust deed & rules, benefit structure & design
7. **Valuation procedures,** bases for valuing assets & liabilities ,analysis of surplus, assets/Liability matching

**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND  
TECHNOLOGY**

**UNIVERSITY EXAMINATION 2013/2014**

**FOURTH YEAR SECOND SEMESTER EXAM FOR THE DEGREE OF  
BUSINESS ADMINISTRATION, HUMAN RESOURCE**

**KISUMU LEARNING CENTRE**

**ABA 428: SOCIAL SECURITY AND PENSION FUND**

DATE:.....TIME.....

**INSTRUCTIONS:**

1. SECTION A: Attempt Question ONE (COMPULSORY) 30 MARKS
2. SECTION B: Attempt ANY TWO questions (20 marks)
3. Start a new question on a new page.

## **SECTION A:QUESTION ONE(COMPULSORY) 30 MARKS**

- i. Define social security(4 marks)
- ii. International labour organization define the traditional contingencies covered by social security .Highlight the five contingencies in his definition (6 marks)
- iii. What should we avoid in designing social security(10 marks)

## **SECTION B: Attempt any two questions (20 marks each)**

The principle behind social security is that people earn benefits by contributions,paid while they are still working .Discuss the advantages and disadvantages of social security insurance(20 marks)

### **QUESTION THREE**

- i. Explain any social security benefits (10 marks)
- ii. Differentiate between employment based pension and social and state pension(10 marks)

### **QUESTION FOUR**

Pension funds are important to shareholders of listed and private companies.They are especially important to stock market where large institutional investors dominate.Write short notes on

- i. Open and closed pension funds (10 marks)
- ii. Public and private pension funds (10 marks)

### **QUESTION FIVE**

- i. What are the methods of providing pension (10 marks)
- ii. Explain the features of funded and unfunded pension (10 marks)