

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE**

**BCOM 341: RISK MANAGEMENT**

**STREAMS: BCOM Y3S2**

**TIME: 2 HOURS**

**DAY/DATE: MONDAY 05/07/2021**

**11.30 A.M. – 1.30 P.M.**

**INSTRUCTIONS:**

- **Answer one question and two other questions. Marks allocated to each questions are shown at the end of the question. Do not write on the question paper.**

**QUESTION ONE**

- (a) Distinguish between risk management and insurance management. (4 marks)
- (b) Critically analyze the reason for managing loss exposure. (7 marks)
- (c) Outline the function of a risk management department in manufacturing company. (8 marks)
- (d) Explain six emerging risks that organizations now face. (6 marks)
- (e) Explain how new risks can emerge in the course of major projects. (5 marks)

**QUESTION TWO**

- (a) Trace the origin and development of risk management. (10 marks)
- (b) Discuss the risk management objectives as postulated by Mehr and Hedge in 1974. (10 marks)

**QUESTION THREE**

- (a) Explain methods of risk evaluation that can be deployed by an organization. (10 marks)
- (b) Explain the purpose and benefits of risk registers and what they might contain. (10 marks)

**QUESTION FOUR**

As per of its process of risk management, an organization has identified a risk which is unacceptable.

- (a) Explain how the organization could prepare for an unexpected significant loss incident which could threaten the survival of the organization. (5 marks)
  - (b) Explain how and why the risk management process should be monitored and reviewed. (7 marks)
  - (c) Discuss the three high level options available to the organization for controlling the risk. (8 marks)
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