

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
COMMERCE AND BACHELOR OF COOPERATIVE MANAGEMENT**

BCOM 341: RISK MANAGEMENT

STREAMS: BCOM/BCOP Y3S1

TIME: 2 HOURS

DAY/DATE: MONDAY 29/03/2021

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS:

- **Answer question ONE and any other TWO questions.**
- **Do not write on the question paper.**

QUESTION ONE

- (a) Of late, there have been incidences of vehicles drowning in the ocean at the coast of Mombasa near Likoni. In some of the cases lives and properties have been lost, even though some people who are luck escape. This is disastrous and so requires a solution. As one who has done risk management, clearly recommend the possible solutions to prevent future losses. (5 marks)
- (b) Chuka university doesn't have a risk management department which is charged with a responsibility of handling risks. However, from evidence, the institution has a risk culture. Explain five evidence and their respective risks that can make one conclude that the institution is keen on managing its risks. (10 marks)
- (c) Orbit chemical company which started its operations five years age, has decided to initiate risk management programmes. Expound to management the possible objectives of a risk management programme. (10 marks)
- (d) Using practical examples on current occurrences, explain the concepts of 'emerging risks'. (5 marks)

QUESTION TWO

- (a) Assume you are working in a bank as a risk manager and one responsibilities is to communicate your risk management agenda to stakeholders. Demonstrate the methods you will adopt to deliver your agenda. (10 marks)
- (b) Explain some of the commonly used methods of risk identification. (10 marks)

QUESTION THREE

- (a) The government of Kenya has of late been in the forefront in the fight against risks of terrorism, accidents on the roads and many other disasters. A big budget for instance is usually allocated in boosting security, aspects of spy cameras in major cities, etc. Most organizations have also either established risk management departments with elaborate continuity plans or are using the services of risk management consultants. Explain why risk management is becoming increasingly important in organizations. (8 marks)
- (b) Severity and frequency of losses has been the guiding principle for any risk management decision. Discuss. (12 marks)

QUESTION FOUR

- (a) Evaluate the significance of monitoring and review in risk management. (10 marks)
 - (b) Is risk measurement of any value in risk management? (5 marks)
 - (c) Demonstrate the relevance of risk indicators in risk management. (5 marks)
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