

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

SECOND YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE

BCOM 341: RISK MANAGEMENT

STREAMS: BCOM Y3S1 (ODEL)

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) Mapenzi Service Company Ltd implemented a risk management programme recently. The board and the CEO want to promote a risk management culture in the organization. The Company's CEO approaches you as a risk management professional to deliver a presentation to management and other staff on risk identification. Explain any five internal sources of information for risk identification that will form part of your presentation. (10 marks)
- (b) Assume you have been appointed as a risk manager of a fast growing manufacturing company located in Nairobi's industrial area. Explain to your team, why it would be necessary to do monitoring and review of your risk management initiatives. (10 marks)
- (c) Given a responsibility to draw a risk register for a company, bring to light the main features your risk register will capture. (10 marks)

QUESTION TWO

- (a) Risk management has evolved over time now that as a country, we are managing risks at national level. Discuss key landmarks in this development. (12 marks)

- (b) Does the board of directors have anything to do with risk management in an organization? (8 marks)

QUESTION THREE

- (a) Most senior managers argue that they manage risks in their organizations, even if they do not have elaborate risk management departments to coordinate their programmes. Pick any big organization of your choice and bring to light at least six evidences in the form of activities or functions which will support their argument. In each case, show the risk being managed. (12 marks)
- (b) Is risk measurement of any value in the risk management process? (8 marks)

QUESTION FOUR

- (a) Using the knowledge gained from your risk management lessons, draw a clear line between risk control and risk financing. (12 marks)
- (b) Assume you have been assigned a responsibility of communicating your company's risk management initiatives to members of staff. Explain the internal methods you will use to convey your agenda. (8 marks)
-