

CHUKA



UNIVERSITY

**SUPPLEMENTARY/ SPECIAL EXAMINATIONS**

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

**BCOM 341: RISM MANAGEMENT**

**STREAMS: BCOM/BCOP Y3S1**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 02/02/2021**

**2.30 PM – 4.30 PM**

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**INSTRUCTIONS:**

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

**QUESTION ONE**

- (a) There have been so many incidences of fire in secondary schools of late immediately students reported back to school after a long break as a result of COVID-19. As one who has done risk management, highlight the likely rationale, explaining the possible solutions to avoid such occurrences in the future. (8 Marks)
- (b) A.M Best, a risk survey agency based in the US gave Kenya a score of 5 in risks, the highest and so the country was placed in the same category of countries with massive risks like Nigeria. What do you think are the implications of such score? (6 Marks)
- (c) Orbit chemical company which started its operations five years ago, has decided to initiate risk management programmes. Expound to management the possible objectives of a risk management programme. (10 Marks)
- (d) Risk management is a process. Discuss (6 Marks)

**QUESTION TWO**

- (a) Most organizations undertake certain activities and some have placed some staff to perform responsibilities which in effect manage risks. Pick an organization of your choice and bring out ten activities and positions/functions which act as evidence of risk management initiatives, clearly indicating in each the type of risk being managed. **(10 Marks)**
  
- (b) Explain the major internal sources of information for risk identification in organizations. **(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. **(10 Marks)**
  
- (b) Analyse the role of board of directors in an organization as far as risk management is concerned. **(10 Marks)**

**QUESTION FOUR**

- (a) The concept of risk management can be traced back to the ancient times, where various communities had their own ways of managing risks. Clearly explain the landmarks made in the development of risk management to where Kenya is as a country. **(10 Marks)**
  
  - (b) Evaluate the significance of monitoring and review in risk management. **(10 Marks)**
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