CHUKA   **UNIVERSITY**

UNIVERSITY EXAMINATIONS

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

BCOM 341: RISK MANAGEMENT

STREAMS: BCOM Y3S1   **TIME: 2 HOURS**

DAY/DATE: THURSDAY 7/12/2017   **8.30 A.M - 10.30 A.M**

INSTRUCTIONS:
- **Answer Question ONE and any other TWO Questions**
- **Do not write on the question paper**

QUESTION ONE
(a) Giving relevant examples differentiate between the following terms as used in risk management.
   (i) Incident Handling and Risk Management.   [2 Marks]
   (ii) Risk Vulnerability and Risk Impact analysis   [2 Marks]

(b) You are a Risk Management Consultant based in Chuka Town, you have been hired by Chuka University to carry out a wide risk management exercise. Explain six functions you would undertake to help the organizations protect its assets.   [6 Marks]

(c) Explain the post-loss objectives you would set for a big company.   [8 Marks]

(d) Describe how other departments would be involved in risk management.   [8 Marks]

(e) Explain two roles of each of the following in risk management
       (i) Loss Control Engineers   [2 Marks]
       (ii) Board of Directors   [2 Marks]

QUESTION TWO
Cediah has been appointed the head of risk management at Wananchi Transporters Company Ltd. Among her first assignment is to prepare a risk management policy.

Required:
(a) Explain the benefits that Wananchi Transporters Company Ltd would derive from a well-prepared risk management policy statement.   [5 Marks]

(b) Explain five techniques that Cediah would use to identify the company's loss exposures.

[5 Marks]

(c) Explain five proactive measures that can be implemented to manage the company's loss exposures. [10 Marks]

QUESTION THREE

(a) In determining the appropriate method of risk management, a matrix can be used that classifies the various loss exposures according to frequency and severity. The matrix can be a useful guide to the risk manager. Explain. [6 Marks]

(b) Briefly explain the contents of an organizational contingent plan. [6 Marks]

(c) Distinguish between static and dynamic risks as used in risk management. [4 Marks]

(d) Explain four characteristics of Risk Identification techniques. [4 Marks]

QUESTION FOUR

(a) Risk management process is a detailed plan that if well adhered to saves the organization from many losses. Discuss a typical risk management process for a manufacturing firm.

[10 Marks]

(b) Explain the need for continuous review of risk management programmes. [5 Marks]

(c) Illustrate with the use of examples, five main types of risk exposures that a typical company may face. [5 Marks]
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