

**CHUKA**



**UNIVERSITY**

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**UNIVERSITY EXAMINATIONS  
RESIT/SPECIAL EXAMINATIONS**

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

**BCOM 341: RISK MANAGEMENT**

**STREAMS:**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 24/07/2018**

**8.30 A.M – 10.30 A.M**

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**INSTRUCTION:**

- **Answer question one and any other two questions**

1. (a) Explain clearly the classification of risk. [8marks]  
(b) “Risk is the salt and sugar of life”. Discuss. [5marks]  
(c) Prepare risk management report for hypothetical organization. [5marks]  
(d) Discuss the contribution of risk management to a business organization of your choice. [7marks]  
(e) Explain the pre-loss objectives you would set for a big company. [5marks]
2. (a) Risk management is a process. Discuss. [12marks]  
(b) Critically explain how risk is a burden to the society and economy at large. [8marks]
3. (a) Omega company ltd recently adopted a risk management program in its operations. The managing director requires that all line managers understand how to identify the risks the company is exposed to. You have been approached by the managing Director to address his line managers on the possible techniques available. Explain to the managers what techniques they can use. [10marks]  
(b) Severity and frequency of losses has been the guiding principle for any risk management decision. Discuss. [10marks]

4. (a) Giving relevant examples. Explain how you would respond to various risks you face as an individual. [8marks]
- (b) Explain factors that a risk manager should consider in deciding which risk management technique is appropriate. [4marks]
- (c) Explain the need for continuous review of risk management programmes. [8marks]
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