

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

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

BCOM 341: RISK MANAGEMENT

STREAMS: BCOM

TIME: 2 HOURS

DAY/DATE: MONDAY 13/8/2018

11.30 AM – 1.30 PM

INSTRUCTIONS:

Answer QUESTION ONE and Any Other TWO QUESTIONS.

QUESTION ONE

- (a) Explain clearly the classification of risk. [7 marks]
- (b) “Risk is the salt and sugar of life”. Discuss. [5 marks]
- (c) Prepare risk management report for hypothetical organization. [5 marks]
- (d) Discuss the contribution of risk management to business organization of your choice.
[5marks]
- (e) Explain the pre-loss objectives you would set for a big company. [5 marks]
- (f) Explain how you help a bank manage credit risks [3 Marks]

QUESTION TWO

- (a) Risk Management is a process. Discuss. [12 marks]
- (b) Briefly explain four contents of a organizational contingent plan [8 Marks]

QUESTION THREE

- (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. [10 marks]
- (b) Severity frequency and spatial extent of losses are the guiding principles for any risk management decision. Discuss. [10 marks]

QUESTION FOUR

- (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 [4 marks]
 - (c) Explain the need for continuous review of risk management programmes [8 marks]
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