CHUKA   **UNIVERSITY**

UNIVERSITY EXAMINATIONS

**SECOND YEAR EXAMINATION FOR THE AWARD OF DEGREE OF
BACHELOR OF ENTREPRENEURSHIP AND ENTERPRISE MANAGEMENT**

BCOM 241: RISK AND INSURANCE

STREAMS: BEEM Y2

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 24/3/2021   **11.30 AM – 1.30 PM**

INSTRUCTIONS:
• Answer question ONE (Compulsory) and any other TWO questions.
• Do not write on the question paper

Q.1.(a) Explain the following:
  (i) Concept of risk   [4 Marks]

  (ii) Frequency and serenity of risk.   [4 Marks]

  (iii) henrich triangle.   [3 Marks]

  (iv) Peril   [1 Mark]

  (v) Hazards   [5 Marks]

(b) Outline the nature of insurance.   [7 Marks]

(c) Explain clearly the relevant benefit of insurance in the Kenyan economy.
                                                              [6 Marks]

Q2.a) Give relevant examples and citing various case laws, explain the essentials of valid
    insurance contract.   [12 Marks]

  (b) Citing various case laws, examine the principles of subrogation.   [8 Marks]

Q3.(a) Explain the content of a policy document.   [8 Marks]

   (b) What are the pre-requisites to making a claim in insurance.   [7 Marks]

   (c) Discuss the payment of claim under dispute.   [5 Marks]

Q4.(a) Distinguish between a Broker and a Lloyd's Broker.   [6 Marks]
   (b) Discuss motor insurance.   [10 Marks]
   (c) Explain four functions of IRA.   [4 Marks]

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