



**KISII UNIVERSITY**  
**UNIVERSITY EXAMINATIONS**

**SECOND YEAR EXAMINATION FOR THE AWARD OF  
THE DEGREE OF BACHELOR OF COMMERCE  
SECOND SEMESTER 2015/2016  
(JANUARY-APRIL, 2016)**

**BBAM/BCOM 241: RISK MANAGEMENT**

**STREAM: Y2S2**

**TIME: 2 HOURS**

**DAY: FRIDAY, 12.00 - 2.00 PM**

**DATE: 01/04/2016**

**INSTRUCTIONS**

1. Do not write anything on this question paper.
2. Answer question ONE (Compulsory) and any other THREE questions.

**QUESTION ONE**

- (a) Explain the term "risk management" and describe its five objectives. [10 Marks]
- (b) Describe the various steps involved in the risk management process. [10 Marks]
- (c) Explain the historical development of the risk management function. [5 Marks]

**QUESTION TWO**

- (a) Explain two methods of risk retention. [5 Marks]
- (b) Describe three non-insurance transfers. [10 Marks]

**QUESTION THREE**

- (a) Explain four principles of organizational Risk management. [8 Marks]

- (b) Distinguish between loss frequency and loss severity using suitable examples. [7 Marks]

#### **QUESTION FOUR**

- (a) Explain four functions of risk management. [7 Marks]
- (b) Explain risk management activities as applied to:
- (i) Project management. [3 Marks]
  - (ii) Mega projects. [2 Marks]
  - (iii) Enterprise risk management. [3 Marks]

#### **QUESTION FIVE**

- a) Explain four ethics used in risk management. [8 Marks]
- b) Describe the following:-
- (i) Business continuity planning. [3 Marks]
  - (ii) Strategic risk management model. [2 Marks]
  - (iii) Operational risk management model. [2 Marks]