**MAASAI MARA UNIVERSITY**

**HIGHLANDS STATE COLLEGE**

**APRIL 2017 DRAFT EXAMINATIONS**

**SCHOOL OF BUSINESS AND ECONOMICS**

**BACHELOR OF COMMERCE**

 **YEAR 2 SEMESTER 1**

**UNIT CODE: BBM 207**

**UNIT TITLE: INTRODUCTION TO RISK AND INSURANCE**

***INSTRUCTION TO CANDIDATES***

***Answer Question ONE (compulsory) and any other TWO***

***Question one carries 25marks***

***All other questions carry 15marks each***

**QUESTION ONE**

1. Define the following terms
2. Risk **(1mark)**
3. Insurer **(1mark)**
4. Insurance **(1mark)**
5. Reinsurance **(1mark)**
6. Insurance Underwriting **(1mark)**
7. Explain the principle of indemnity as applied in insurance **(5marks)**
8. Explain the relationship that exists between risk and insurance **(5marks)**
9. Explain using examples how corporations can treat risk. **(10marks)**

**QUESTION TWO**

Discuss the principles of insurance citing examples where applicable **(15marks)**

**QUESTION THREE**

Describe the risk management process citing relevant examples **(15marks)**

**QUESTION FOUR**

1. Evaluate some of the emerging issue in insurance industry in Kenya **(5marks)**
2. Summarize the Challenges Facing Insurance industry today and suggest Solution to those Challenges **(5marks)**
3. Discuss the different classes of insurance citing examples where applicable.

**(5 marks)**