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**JOMO KENYATTA UNIVERSITY**

**OF**

**AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2014/2015**

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE/ STAGE THREE SEMESTER ONE BACHELOR OF BUSINESS AND OFFICE MANAGEMENT/ THIRD YEAR SEMESTER ONE BACHELOR OF PURCHASING AND SUPPLIES MANAGEMENT AND BACHELOR OF BUSINESS INFORMATION TECHNOLOGY**

**HBC 2118: INSURANCE AND RISK MANAGEMENT**

**DATE: APRIL 2015 TIME: 2 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE**

1. Highlight any THREE (3) types of risks faced by organizations. [3 marks]
2. Give SIX importances of a risk policy (6). [3 marks]
3. Give the characteristics of risk management. [3 marks]
4. Examine the main differences between double insurance and co-insurance [3 marks]
5. State any THREE (3) different types of hazards. [3 marks]
6. Explain the difference between pure and speculative risks. [3 marks]
7. Highlight any THREE (3) elements which are required for an

Insurance transaction [3 marks]

1. Highlight the difference between Annuity contracts and

Life Insurance policies. [3 marks]

1. Explain the importance of insurance to the society. [3 marks]
2. Briefly explain the THREE (3) parts covered by the workers

Compensation and employers liability Policy [3 marks]

**QUESTION TWO (20 MARKS)**

1. Describe the options available for the treatment of risks by the organizations. [10 marks]
2. Explain the characteristics of insurance. [10 marks]

**QUESTION THREE (20 MARKS)**

1. Describe the distinguishing features of insurance contract. [10 marks]
2. Explain any FIVE principles of insurance. [10 marks]

**QUESTION FOUR (20 MARKS)**

1. Discuss the requirements of an insurable risk. [10 marks]
2. Describe the various kinds of life insurance policies. [10 marks]

**QUESTION FIVE (20 MARKS)**

1. Explain the FIVE classifications of annuities. [10 marks]
2. Examine the challenges facing insurance companies in Kenya. [10 marks]