

**W1-2-60-1-6**

## JOMO KENYATTA UNIVERSITY

**OF**

**AGRICULTURE AND TECHNOLOGY**

# University Examinations 2014/2015

**END SEMESTER EXAMINATION FOR THE DIPLOMA IN BUSINESS INFORMATION TECHNOLOGY**

**HCB 0104 : INSURANCE AND RISK MANAGMENT**

**DATE: APRIL 2015 TIME: 1½ HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE (COMPULSORY) AND**

**ANY OTHER TWO QUESTIONS.**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**QUESTION ONE (20 MARKS)**

(a) Discuss the causes of business risks. [6 marks]

(b) What are the objectives of risk management within an organization?

[10 marks]

(c) State and explain the different tools and techniques used in risk management. [4 marks]

**QUESTION TWO (20 MARKS)**

(a) Discuss the risk management process. [10 marks]

(b) What are the characteristics of insurable risk? [10 marks]

**QUESTION THREE (20 MARKS)**

(a) What are the essentials of a valid insurance contract as stipulated by the laws of Kenya? [10 marks]

(b) Discuss the components of a valid insurance policy. [10 marks]

**QUESTION FOUR (20 MARKS)**

Writing short notes, discuss the following different types of insurance policies:

(a) Term insurance. [4 marks]

(b) Endowment policy. [4 marks]

(c) Annuity. [4 marks]

(d) Marine insurance. [4 marks]

(e) Fire insurance. [4 marks]

**QUESTION FIVE (20 MARKS)**

State and discuss the principles that govern insurance as stipulated by the laws of Kenya. [20 marks]