

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

**JOMO KENYATTA UNIVERSITY**

**OF**

**AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2015/2016**

**SECOND YEAR SECOND SEMESTER EXAMINATION FOR THE**

**DIPLOMA IN BUSINESS INFORMATION TECHNOLOGY**

**HCB 0104: INSURANCE AND RISK MANAGEMENT**

**DATE: DECEMBER 2015 TIME: 1 ½ HOURS**

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

1. a) Define the following terms as used in Insurance: [3 marks]
2. Risk
3. Peril
4. Hazard

b) Discuss using relevant examples, the risk management

process. [12 marks]

c) As an alternative to Insurance or in addition to it, some

big companies self-insure themselves. Discuss, under

the following sub-headings:

1. Reasons for self Insurance
2. Advantages of self Insurance
3. Disadvantages of self Insurance

[15 marks]

1. a) With clear examples, discuss the difference between the

pure and speculative risks. [3 marks]

b) Discuss with examples, FOUR (4) risk management

techniques. [12 marks]

1. Discuss in details any FIVE (5) principles of Insurance giving

relevant examples where possible. [15 marks]

1. There are certain risk attributes which determine whether or not

a risk is insurable. Discuss giving example, FOUR requisites

of insurability. [15 marks]

1. a) Insurance Companies can be categorized according to

the type of insurance business or the form of ownership.

Discuss the following types of insurance companies. [3 marks]

1. General Insurance Companies
2. Captive Companies
3. Re-insurance Companies

b) Insurance is beneficial and has various social and economic

benefits. Name and explain atleast SIX (6) benefits of

insurance. [12 marks]