

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

SECOND YEAR EXAMINATION FOR THE AWARD OF DEGREE  
OF BACHELOR OF ENTREPRENEURSHIP AND ENTERPRISE DEVELOPMENT

BCOM 241: RISK MANAGEMENT

STREAMS: BEEM Y2S2

TIME: 2 HOURS

DAY/DATE: MONDAY 9/04/2018

8.30 A.M - 10.30 A.M.

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INSTRUCTIONS:

- Answer Question ONE and any other TWO Questions.
- Do not write anything on the question paper.

1. (a) What is risk management? [3 Marks]  
(b) Explain the following;  
(i) Risk is the salt and sugar of life. [5 Marks]  
(ii) Techniques of handling risk. [5 Marks]  
(iii) Basic rules of risk management. [3 Marks]  
(c) Outline the functions of risk management department of a big organization. [6 Marks]  
(d) Trace the origin and development of risk management to present day. [8 Marks]
  2. (a) Discuss the reasons for managing a loss-exposure in business organization. [12 Marks]  
(b) Discuss the pre-loss and post-loss objectives that should be pursued by large organization. [3 Marks]
  3. (a) Using relevant illustrations and examples, discuss hazard probability studies (HASOPS) as a method of risk identification in the risk management process. [15 Marks]  
(b) Explain the role of risk finance on a small business enterprise. [5 Marks]
  4. Discuss the factors to consider in political risk control programme of an organization operating in Kenya. [12 Marks]
  5. Explain the importance of evaluating a risk management programme. [8 Marks]
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