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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2019/2020 ACADEMIC YEAR TWO**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 230**

**COURSE TITLE: INTRODUCTION TO RISK MANAGEMENT**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 15/12/2020 TIME: 09.00-11.00 AM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

1. Explain five alternative types of risk financing **[5 marks]**
2. Highlight and explain the seven principles of insurance **[7 marks]**
3. As the Insurance industry grows there has been new trends that have developed in recent times all seeking to address different needs. Discuss any four new trends in insurance **[8 marks]**
4. Risk policy is an important inclusion in any company today. Explain five benefits of a risk policy **[10 marks]**

**QUESTION TWO**

1. Explain the limitations of insurance as a risk management tool **[10 marks]**
2. Common mistake in hazard identification is to screen out or discard some incidents because they are perceived to be extremely unlikely or of low consequence. Discuss any five other mistakes **[10 marks]**

**QUESTION THREE**

1. There are several factors to consider when selecting or rejecting control measures. Explain five factors to considered when choosing controls **[10 marks]**
2. As the industry grows there have been new trends that have developed in recent times all seeking to address different needs. Discuss five of these trends **[10 marks]**

**QUESTION FOUR**

1. Elaborate the role of risk management department in an organization **[10 marks]**
2. Risk treatment involves identifying the range of options for treating risk, assessing those options, preparing risk treatment plans and implementing them. Explain five methods of risk treatment **[10 marks]**

**QUESTION FIVE**

1. Explain five types of risks faced by organizations **[10 marks**]
2. Explain the contribution of insurance to the Kenyan economy and its society. **[10 marks]**