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... Bastion of Knowledge...

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ACADEMICS, RESEARCH AND STUDENTS' AFFAIRS

UNIVERSITY EXAMINATIONS

2020 /2021 ACADEMIC YEAR

SECOND YEAR SECOND SEMESTER REGULAR EXAMINATION

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

COURSE CODE: BBM 221

COURSE TITLE: INTRODUCTION TO RISK AND INSURANCE (MAIN EXAM)

DATE: 23/07/21

TIME: 800AM-11.00PM

INSTRUCTION TO CANDIDATES

- ***SEE INSIDE***

THIS PAPER CONSIST OF 2 PAGES

PLEASE TURN OVER

INSTRUCTIONS TO CANDIDATES

- i. Answer Question **ONE** and any other **TWO** questions.
- ii. Maps and diagrams should be used whenever they serve to illustrate the answer.
- iii. Do not write on the question paper.

QUESTION ONE

- a) Discuss the advantages of insurance policy to a business organization (10 marks)
- b) Differentiate between uncertainty and risks (4marks)
- c) Explain three basic categories of risk that can occur in an organization (6marks)
- d) Discuss the role of government in risk management (10 marks)

QUESTION TWO

- a) Discuss the need to manage risk in any business organization (10 marks)
- b) Explain the main functions of the risk manager in a firm (10 marks)

QUESTION THREE

- a) Explain the various techniques and tools for risk identification (10 marks)
- b) Discuss five methods of information gathering that can be used in risk identification (10 marks)

QUESTION FOUR

- a) Discuss five principles of insurance (10 marks)
- b) Explain the benefits of insurance policy to a business organization (10 marks)

QUESTION FIVE

- a) Discuss the various challenges to the practice of insurance in Kenya (10 marks)
- b) Explain the various methods of handling risks in a firm (10 marks)