



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT BUSINESS ADMINISTRATION

UNIVERSITY EXAMINATION FOR:

DEGREE

BMS 4202 RISK MANAGEMENT AND INSURANCE

ORDINARY EXAMINATION

SERIESE: AUGUST 2019

TIME: 2 HOURS

DATE: 12TH JULY 2019

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt **ONE (Compulsory)** and any other **TWO** questions.

Do not write on the question paper.

Question One

(a) "Risk avoidance is a negative treatment of risk rather than positive technique." Elaborate. (10 Marks)

(b) Enumerate the various principles of insurance. (10 Marks)

(c) Differentiate risk and uncertainty. (10 Marks)

Question Two

(a) Explain the various methods of managing risk (10 Marks)

(b) Describe the different types of risk with suitable examples (10 Marks)

Question Three

- (a) Highlight the objectives of risk management. (10 Marks)
- (b) “Risk cannot be avoided but can be minimized”. Discuss (10 Marks)

Question Four

- (a) Elaborate the tools of risk management by giving suitable examples. (10 Marks)
- b) Emphasize the need for risk management (10 Marks)

Question Five

- (a) Elaborate the sources of risk and mechanisms of identification of risk. (10 Marks)
- (b) “Insurance is a risk management technique of the corporate sector.” Analyze the statement (10 Marks)