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TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Accounting & Finance

UNIVERSITY EXAMINATION FOR:

DBA

Type unit code: **0411554/23/A** PERFORM FINANCIAL RISK MANAGEMENT

END OF SEMESTER EXAMINATION

SERIES:AUGUST2020

TIME:2HOURS

DATE:Pick DateMar2025

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of five questions. Attemptquestion ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

Question 1

a) Discuss the different steps in financial risk management (12mks)

b) A company invests in three projects A, B and C. The initial investment cost is shs, 500,000, shs, 900.000 and shs 1,300,000 and the probability of incurring a loss is 10% respectively. Calulate the expected loss. (10mks)

c) Discuss how the following skills, ability to quantify things, financial skills and business understanding assist a manager in the execution of his or her duties (10mkd)

d) Discuss the various strategies that can be used to manage risk (8mks)

Question Two

a) Enumerate the risk mitigation best practices that risk managers follow. (10mks)

b) What is the importance of risk monitoring.? (10mks)

Question Three

a) Discuss the following risks, speculative, strategic, operational and liquidity risk (10mks)

a. Discuss the benefits and shortcomings of a risk assessment matrix (10mks)

Question Four

a) The future of risk management is shaped by emerging issues. Discuss (10mks)

b) What is psychological safety and why is it important to risk managers? (10mks)

Question Five

a) Differentiate between impact and likelihood. Show how you would assess them on a 5 x 5 matrix. (10mks)

b) Executing on an effective risk management plan necessitates having the right people, processes, and technology in place. Discuss (10mks)