TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Accounting & Finance

UNIVERSITY EXAMINATION FOR:

DIPLOMA IN ACCOUNTANCY/BUAINESS ADMINISTRATION

BFI 2201: FINANCIAL RISK MANAGEMENT

END OF SEMESTER EXAMINATION

SERIES: APRIL 2025

TIME: 2 HOURS

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 question ONE (Compulsory) and any other TWO questions.
Do not write on the question paper.

Question ONE (COMPULSORY)

a) Difference Between a Risk Assessment and an Impact assessment (10mks)

b) Discus the importance of a risk register (10mks)

c) Discuss the basic steps in a risk management process. (10mks)

Question Two

a) Differentiate between risk and uncertainty (10mks)

b) Draw and properly label a 5 x 5 risk matrix. Then explain its purpose. (10mks)

Question Three

a) What is risk identification and how is it carried out? (10mks)
b) A company or business can manage its risks through many methods, Discuss any four of these methods. (10mks)

Question Four

a) Differentiate between risk impact and risk severity (10mks)
b) Discuss any five classifications of assets (10mks)

Question Five

a) Discuss any five components of a risk register. (10mks)

b) When you discover a risk you respond to it. Describe any two ways through which you would respond to a risk. (10mks)