



Riara School of Business
Nurturing business innovators

SEPTEMBER – DECEMBER 2019 TRIMESTER EXAMINATIONS
DAY PROGRAMME
EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION
RFN 102: INTRODUCTION TO RISK MANAGEMENT

DATE: 17TH DECEMBER 2019

TIME: 2 HOURS

GENERAL INSTRUCTIONS:

Students are NOT permitted to write on the examination paper during reading time.

This is a closed book examination. Text book/Reference books/notes are not permitted.

SPECIAL INSTRUCTIONS:

- 1 Write your REGISTRATION NO. Clearly on the answer booklet(s).
- 2 Answer Question One and ANY other TWO questions.
- 3 Questions in all sections should be answered in answer booklet(s).
- 4 Marks allocated to each question are shown at the end of the question.
- 5 PLEASE start the answer to EACH question on a NEW PAGE.
- 6 For the questions, write the number of the question on the answer booklet(s) in the order you answered them.
- 7 Write your answers in paragraph form unless stated otherwise.
- 8 Keep your phone(s) SWITCHED OFF at the front of the examination room.
- 9 Keep ALL bags and caps at the front of the examination room and do not refer to any unauthorized material before or during the course of the examination.
- 10 You are only allowed to leave the examination room 30minutes to the end of the Examination.

QUESTION ONE: COMPULSORY (30 MARKS)

- a) Define risk management. **(2 Marks)**
- b) Illustrate the **four** main techniques that are used by business enterprises to manage the risk exposures they face. **(8 Marks)**
- c) Describe the **five** steps in enterprise risk management process. **(10 Marks)**
- d) Explain **five** objectives of self-insurance **(10 Marks)**

QUESTION TWO (20 MARKS)

- a) Describe **five** major risks that a business organization faces. **(10 Marks)**
- b) Explain **five** major benefits of enterprise risk management. **(10 Marks)**

QUESTION THREE (20 MARKS)

- a) Describe **five** sources of information used in the risk identification process. **(10 Marks)**
- b) Explain **five** steps in a safety audit. **(10 Marks)**

QUESTION FOUR (20 MARKS)

- a) Examine **five** benefits of enterprise risk management **(10 Marks)**
- b) State **five** merits and **five** demerits of insurance in risk management. **(10 Marks)**