



Quality Education for the Real World

GRE TSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS JANUARY - APRIL 2025 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCBA 203

COURSE TITLE: INSURANCE AND RISK MANAGEMENT

DATE: APRIL 2025

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **TWO** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: *All exam rooms are under CCTV surveillance during the examination period.*

SECTION A: COMPULSORY

Question One

- a) Enterprise risk is a relatively new term that encompasses all major risks faced by a business. Explain three categories of enterprise risks **[6 Marks]**
- b) The risk manager needs to ensure that the company is pro-active in the management of risk. Explain five ways on the importance of Risk management philosophy **[8 Marks]**
- c) The risk manager has different types of records and the computer is of great help in storing and retrieving information. Explain five records that the risk manager should have. **[8 Marks]**
- d) The success or failure of the HAZOP depends on several factors. Explain four of such factors. **[8 Marks]**

SECTION B: ANSWER ANY TWO QUESTIONS

Question Two

- a) Explain the role contingency or catastrophe planning play in risk management, and the key elements that a comprehensive contingency plan should include. **[10 Marks]**
- b) Explain how information management contributes to effective risk management and decision-making within an organization? **[10 Marks]**

Question three

- a) Define physical hazard, moral hazard, morale hazard and legal hazard. **[10 Marks]**
- b) Explain the key principles that govern risk management through insurance, and how they ensure effective risk transfer. **[10 Marks]**

Question Four

- a) Discuss the scenarios in which a business may choose self-insurance over traditional insurance, and the financial and operational risks this decision introduce **[10 Marks]**
- b) Explain how reinsurance functions as a risk management tool for both insurance companies and businesses. **[10 Marks]**

Question five

- a) Discuss how the Delphi Technique **works**. **[10 Marks]**
- b) Explain how event tree analysis (ETA) is used in risk evaluation **[10 Marks]**