



(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2020/2021 ACADEMIC YEAR

THIRD YEAR 1ST SEMESTER
MAIN EXAMINATIONS

FOR THE DEGREE OF BACHELOR OF SCIENCE AGRICULTURE
ECONOMICS AND RESOURCE MANAGEMNT

COURSE CODE: AEC 311
COURSE TITLE: RISK AND INSURANCE

DATE: 15TH JULY 2021

TIME: 2PM – 4 PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE and any other TWO Questions.

TIME: 2 Hours

This paper consists of 2 printed pages. Please Turn Over



KIBU observes ZERO tolerance to examination cheating

Question 1

- a) Explain the risk financing techniques (10 Marks)
- b) Define self-insurance and give reasons for risk retention (10 Marks)
- c) Differentiate the following terms
 - i) Insurance and gambling (2 Marks)
 - ii) Risk averse and risk seeking investors (2 Marks)
 - iii) Pure and Speculative Risk (2 Marks)
 - iv) Peril and hazard (4 Marks)

Question 2.

Discuss the main types of risks in Agriculture (20 Marks)

Question 3.

Define risk control and explain its major techniques (20 Marks)

Question 4.

- a) You have been appointed as the risk manager in ABC Company and tasked to design risk policy statement. Highlight benefits of risk statement policy. (10 Marks)
- b) Explain at least Five benefits of risk management in an organization. (10 Marks)