



*(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:** 15<sup>TH</sup> JULY 2021

**TIME:** 2PM – 4 PM

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**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)