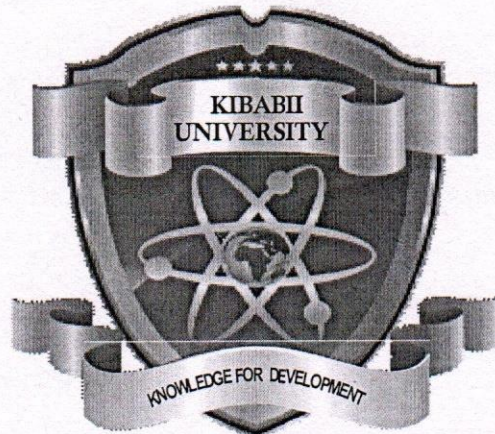


KIBABII UNIVERSITY

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UNIVERSITY EXAMINATIONS

**SPECIAL/SUPPLEMENTARY EXAMS
2016/2017 ACADEMIC YEAR**

**THIRD YEAR FIRST SEMESTER
FOR THE DEGREE OF BACHELOR OF COMMERCE**

COURSE CODE: BCI 310

COURSE TITLE: STRATEGIC RISK MANAGEMENT

DATE: 12TH SEPTEMBER 2017

TIME: 11.30AM - 1.30PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

SECTION A

QUESTION ONE.

- i. Describe any five risk management techniques? (10 Marks)
- ii. Describe ways of effectively mitigating and managing business risks. (20 Marks)

QUESTION TWO

Distinguish between the following types of risks

- i. Pure and speculative risk (4 Marks)
- ii. Fundamental and particular risk (4 Marks)
- iii. Enterprise risk and financial risk (4 Marks)
- iv. Operational risk and Strategic risk (4 marks)
- v. External and internal risk. (4 Marks)

QUESTION THREE

- Describe the various processes of risk management (10 Marks)
Describe the types of risk treatment (10 Marks)

QUESTION FOUR

Explain the following terms as used in insurance industry

- a).
 - i. Principle of indemnity (2 Marks)
 - ii. Principle of subrogation (2 marks)
 - iii. Principle of contribution (2 Marks)
 - iv. Principle of proximate cause (2 Marks)
 - v. Principle of insurable cause (2 Marks)

b). Calculate the premium payable by the insurer under the following circumstance if in the past experiences showed that five out of 500 houses valued at Ksh 2,000,000 each would be damaged by fire within the year. (10 marks)