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(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR

THIRD YEAR 1ST SEMESTER
MAIN EXAMINATIONS


**FOR THE DEGREE OF BACHELOR OF SCIENCE IN AGRICULTURAL
ECONOMICS & RESOURCE MANAGEMENT**

COURSE CODE: AEC 311
COURSE TITLE: RISK AND INSURANCE

DATE: 13TH DECEMBER 2022 **TIME:** 9 – 11 AM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE and any other two (2) Questions
TIME: 2 Hours

This paper consists of 2 printed pages. Please Turn Over 

KIBU observes ZERO tolerance to examination cheating

Q1.

- a) Write short notes on the following concepts as used in risk and insurance
- i) Risk costs **(6 Marks)**
 - ii) Peril and hazard **(4 Marks)**
 - iii) Pure and speculative risks **(4 Marks)**
 - iv) Insurance and reinsurance **(4 Marks)**
 - v) Policy and policy form **(2 Marks)**
- b) Explain five insurance intermediaries in Kenya **(10 Marks)**

Q2.

- a) Explain five methods of handling risks **(10 Marks)**
- b) Discuss the procedures involved in risk analysis **(6 Marks)**
- c) Differentiate two functions of insurance **(4 Marks)**

Q3.

- a) Explain the various classifications of risk **(16 Marks)**
- b) Discuss the procedures of risk control **(4 Marks)**

Q4.

Discuss the requisites for insurability **(20 Marks)**

Q5.

- a) Explain two essentials of insurable interest **(4 marks)**
- b) Under the doctrine of utmost good faith, it's the role of the insured to disclose all material facts to the insurer. Explain 8 material facts which should be disclosed to the insurer **(16 marks)**