



KIBABII UNIVERSITY COLLEGE (KIBUCO)

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2014 /2015 ACADEMIC YEAR**

SECOND YEAR FIRST SEMESTER EXAMINATIONS

MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCI 210

COURSE TITLE: PRINCIPLES OF INSURANCE AND RISK MANAGEMENT

DATE: DECEMBER, 2014

TIME:

INSTRUCTIONS TO CANDIDATES:

Answer Question ONE and any other Two Questions

TIME: 2 Hours

SECTION A

Question one compulsory

- a) Write short notes on
 - i) Uncertainty and Risks (4 marks)
 - ii) Underwriters (3 marks)
 - iii) Co-Insurance (3 marks)
- b) Explain any five functions of a Risk manager (5 marks)
- c) Explain how fundamental risk differs from particular risk (5 marks)
- d) Explain any three differences between an insurance and a wager (5 marks)
- e) Explain any five insurance principles applicable in Kenya (5 marks)

SECTION B

Question two

- a) Explain any four methods of treating risks (8 marks)
- b) Explain a risk register and discuss three reasons why it is maintained (12 marks)

Question three

- a) Explain any five challenges that insurance industry in Kenya faces (10 marks)
- b) Explain any five benefits of insurance in Kenya (10 marks)

Question four

- a) Explain the various types of risks encountered by an organization by use of relevant examples. (15 marks)
- b) Outline the role of government in risk management (5 marks)

Question five

Describe the process that may be followed in managing risks of a manufacturing organization (20marks)