



# MAASAI MARA UNIVERSITY - MUMIAS

**REGULAR UNIVERSITY  
EXAMINATIONS  
2018/2019 ACADEMIC YEAR  
SECOND YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND  
ECONOMICS  
BACHELOR OF BUSINESS  
MANAGEMENT**

**COURSE CODE: BBM 207**

**COURSE TITLE: INTRODUCTION TO  
RISK AND**

**INSURANCE**

**DATE:.....**

**TIME:.....**

## **INSTRUCTIONS TO CANDIDATES**

- **Answer question ONE (compulsory) and any other THREE**
- **Question one carries 25 marks**
- **All other questions carry 15 marks**

*This paper consists of 3 printed pages. Please turn over.*

### **QUESTION ONE**

a) Define the following terms;-

- i. Risk tolerance **(1mark)**
- ii. Risk Management **(1mark)**
- iii. Risk tools **(1mark)**
- iv. Risk Resources **(1mark)**
- v. Insurance Management **(1mark)**

b) Differentiate between business risk and insurance risk **(6Marks)**

c) Explain five basic types of insurance **(5marks)**

d) Discuss the purpose of a deductible insured **(4Marks)**

e) Discuss the major inclusions in an insurance contract **(5 Marks)**

### **QUESTION TWO**

a) The first key activity in the risk management process is Risk Identification. While in some publications “risk assessment” is

used as an umbrella term that includes the primary activities of both risk identification and risk analysis what is the purpose of risk identification **(10marks)**

b)As a consequence of a substantial review, the Government endorsed the introduction of an insurance framework supported by increased accountability for risk management. What is the importance of regulating insurance industry?

**(5marks)**

### **QUESTION THREE**

(a) Discuss the purpose of coinsurance in health **(9 marks)**

(b) State and discuss in brief steps involved in risk management

**(6 marks)**

### **QUESTION FOUR**

a) Explain the principles of insurance

**(8 marks)**

b) Define risk financing discussing its importance in organizations

**(7 marks)**

### **QUESTION FIVE**

a)Control measures can be identified while identifying hazards and during the risk assessment. Employers should be able to identify a range of control measures immediately, both the existing measures and possible alternatives. The specific nature of each hazard and the associated part of the facility should be considered when identifying control measures. Explain risk

control measures

**(8marks)**

b)What are the Features of a good Hazard Identification Process

**(7marks)**