



RIARA SCHOOL OF BUSINESS
NURTURING INNOVATORS

JANUARY APRIL SEMESTER EXAMINATIONS
EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION AND
BACHELOR OF BUSINESS INFORMATION TECHNOLOGY
DAY PROGRAMME

RFN 102: INTRODUCTION TO RISK MANAGEMENT

DATE: APRIL 2023

TIME: 2 HOURS

GENERAL INSTRUCTIONS:

Students are NOT permitted to write on the examination paper during reading time.

This is a closed book examination. Text book/Reference books/notes are not permitted.

SPECIAL INSTRUCTIONS:

- 1 Write your REGISTRATION NO. Clearly on the answer booklet(s).
 - 2 Answer Question One and ANY other TWO questions.
 - 3 Questions in all sections should be answered in answer booklet(s).
 - 4 Marks allocated to each question are shown at the end of the question.
 - 5 PLEASE start the answer to EACH question on a NEW PAGE.
 - 6 For the questions, write the number of the question on the answer booklet(s) in the order you answered them.
 - 7 Write your answers in paragraph form unless stated otherwise.
 - 8 Keep your phone(s) SWITCHED OFF at the front of the examination room.
 - 9 Keep ALL bags and caps at the front of the examination room and do not refer to any unauthorized material before or during the course of the examination.
 - 10 You are only allowed to leave the examination room 30minutes to the end of the Examination.
- QUESTION ONE: COMPULSORY (30 MARKS)**

a) Describe the **five** steps in enterprise risk management process. **(10 Marks)**

b) Outline **five** advantages and **five** disadvantages of insurance in risk management.

(10 marks)

c) Mr. Kibathi runs a medium size manufacturing enterprise that specializes in the production of mattresses. He has approached you for advise on how to identify risks that his enterprise faces. Explain to him **five** types of risks that his firm may face.

(10 marks)

QUESTION TWO (20 MARKS)

a) Explain **five** justifications for the use of self-insurance as a risk management technique.

(10 marks)

b) Describe **five** main contents of an Enterprise Risk Management Policy **(10 marks)**

QUESTION THREE (20 MARKS)

a) Describe the **five** steps in a safety audit. **(10 marks)**

b) Explain **five** major benefits of enterprise risk management. **(10 Marks)**

QUESTION FOUR (20 MARKS)

Hewani is a regional carrier operating throughout the African continent. Following a recent collision of its aircrafts within the service hangar, the management has been ordered by the regulators to review its risk management practices and safety of its operations. You have been approached by the management to advise them.

Required:

c) Describe **five** sources of information that *Hewani* can rely on in risk identification.

(10 marks)

d) Explain **five** risk identification techniques that *Hewani* can apply. **(10 marks)**