



# **MAASAI MARA UNIVERSITY**

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

**SCHOOL OF BUSINESS & ECONOMICS  
BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BCM 2210 / BPM 2208  
COURSE TITLE: INTRODUCTION TO RISK  
AND INSURANCE**

**DATE: 16 APRIL, 2019**

**TIME: 11:00AM - 1:00PM**

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**INSTRUCTIONS TO CANDIDATES**

- 1) Answer **Question One** and any other three.
- 2) Question **One** carries a total of **25 marks**. All other questions carry **15 marks each**.
- 3) **DO NOT WRITE ANYTHING ON THE QUESTION PAPER.**

*This paper consists of 2 printed pages. Please turn over.*

**Question One (Compulsory)**

- (a) Explain your understanding of the following as they are used in risk and insurance:
- (i) Hazard **(5 marks)**
  - (ii) Insurable interest **(5 marks)**
  - (iii) Pure risk **(5 marks)**
- (b) Explain the commonly used risk management methods. **(10 marks)**

**Question Two**

Describe the process that you would follow to develop a risk management plan for an organization. **(15 marks)**

**Question Three**

Some risks are insurable while others are not. Explain the characteristics of insurable risks. **(15 marks)**

**Question Four**

Using relevant examples, discuss the case for government regulation of the insurance sector. **(15 marks)**

**Question Five**

Using appropriate examples, describe the process of underwriting. **(15 marks)**

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