



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2015/2016

**SECOND YEAR FIRST SEMESTER EXAMINATIONS FOR
THE DEGREE OF MASTER OF ARTS IN
ENTREPRENEURSHIP**

CITY CAMPUS

MBE 815: MANAGEMENT OF ENTREPRISE RISK

Date: 23rd April, 2016

Time: 2.00 - 5.00 pm

INSTRUCTIONS:

- Answer ANY FOUR questions.



QUESTION 1

- a) Explain the concept of Risk (3 marks)
- b) Discuss the approaches of dealing with risk in an organization (12 marks)

QUESTION 2

Risk management ensures that an organization identifies and understands the risks to which it is exposed. Describe the steps in Risk management process (15 marks)

QUESTION 3

- a) "Understanding downstream effects of risk can help in correctly evaluating the impact that the consequence will have on an organization" In view of this statement, explain the main ways in which operational risk consequences can affect the business (12 marks)
- a) Discuss the difference between Risk management and Insurance management (3 marks)

QUESTION 4

- a) Discuss the following principles of insurance
 - i. Principle of Indemnity (3marks)
 - ii. Principle of Subrogation (3marks)
 - iii. Proximate Cause (2marks)
 - iv. Principle of Probability (3marks)
- b) Describe the essentials of a valid insurable interest (4 marks)

QUESTION 5

- a) Explain the place of risk management in the organization structure (7 marks)
- b) Discuss the challenges risk management in an organization (8 marks)

QUESTION 6

- a) Risk Identification is the way project teams determine the risks that affect the project so that analysis and risk response can be performed. Discuss the risk identification methods that can be employed in an enterprise (10 marks)
- b) Explain the Role of Insurance in risk management (5 marks)