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MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS**

**2016/2017 ACADEMIC YEAR**

**THIRD YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS**

**BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 320**

**COURSE TITLE: RISK AND INSURANCE**

**MANAGEMENT**

**DATE: 26TH APRIL 2017 TIME: 2.00PM-4.00PM**

**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 2 printed pages. Please turn over*

**QUESTION ONE**

a) Define the following terms;-

1. Risk tolerance **(1 mark)**
2. Risk Management **(1 mark)**
3. Risk tools **(1 mark)**
4. Risk Resources **(1 mark)**

b) Differentiate Between Business Risk and Insurance Risk **(6 Marks)**

c) State Five basics types of insurance **(4 marks)**

d)Discuss the purpose of a deductible insured  **(6 Marks)**

e) Discuss the three major inclusions in an insurance contract

**(6 marks)**

f) Define insurance management **(2 marks)**

**QUESTION TWO**

Discuss in length the purpose of insurance regulation. **(15 marks)**

**QUESTION THREE**

a) Define and explain five processes of risk management **(10 marks)**

b) State five ways in which management can take responsibilities of risks **(5 marks)**

**QUESTION FOUR**

a) State five classifications of risks**. (5 marks)**

b) Discuss in length the risk management framework process

**(10 marks)**

**QUESTION FIVE**

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

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

**(6 marks)**