



MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2016/2017

FOURTH YEAR FIRST SEMESTER EXAMINATIONS FOR THE DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION WITH INFORMATION TECHNOLOGY

HOMA-BAY CAMPUS

ABA 421: INSURANCE RISK MANAGEMENT

Date: 4th December, 2016

Time: 2.00 - 5.00 pm

INSTRUCTIONS:

- Answer question ONE and any other THREE questions.



Question One

"Insurance has become a tool without which no serious business person can operate". In view of this statement examine the importance of insurance to business person (25mks)

Question Two

- a) By citing relevant examples explain methods of dealing with risk (10mks)
- b) Explain the remedies available for unpaid seller (5mks)

Question Three

- a) The doctrine of privity of contract presupposes that a stranger to a contract can neither take the benefit nor the burden of its terms. Discuss the essentials elements of contract (10mks)
- b) Discuss the important factors that must be considered when assessing materiality of evidence (5mks)

Question Four

Explain the following terms as used in insurance.

- i. Underwriters (4mks)
- ii. Insurance brokers (4mks)
- iii. Risk control techniques (4mks)
- iv. Risk assessment methods (3mks)

Question Five

- a) Describe any five principles of general insurance (10mks)
- b) Agency may arise out of conduct of behaviour of the parties. Explain the role of agency (5mks)

Question Six

- a) Discuss the various kinds of Life Insurance Policies (10mks)
- b) Explain the characteristics of ordinary whole life policy (5mks)

