



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**THIRD YEAR SECOND SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH INFORMATION TECHNOLOGY**

MAIN CAMPUS

ABA 343: RISK MANAGEMENT IN SUPPLY CHAINS

Date: 8th June, 2017

Time: 12.00 - 3.00pm

INSTRUCTIONS:

- Answer Question ONE and any other THREE.
- Question one carries 25 marks and the rest 15 marks each



Question One

- (a) Define the phrase 'Risk Management' (2 Marks)
- (b) Examine the role of Disaster Recovery Planning in a business organization (2 Marks)
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- (c) Distinguish between:
- (i) Uncertainty and Possibility (2 Marks)
 - (ii) Risk Mitigation and Risk Treatment (2 Marks)
- (d) Compare and contrast the risks that stem from the demand side and those that are created supply side of the organization (4 Marks)
- (e) Explain the differences between Strategic Risks, and Operational Risks (6 Marks)
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- (f) Develop a plan for action to increase the risk awareness of a group of supply chain management staff (7 Marks)

Question Two

- (a) Write a report detailing the risks that are specific to or more prevalent in the public sector (10 Marks)
- (b) Outline the benefits of an effective Risk Management Strategy (5 Marks)

Question Three

- (a) Mention five key parameters that need to be considered in potential supplier appraisal. (5 Marks)
- (b) Explain how you would obtain sufficient information for each parameter and how you will validate the information (10 Marks)

Question Four

Rank and justify the ranking of ten (10) clauses that you would want to include in a contract of the supply of heating oil. (15 Marks)

Question Five

Select two qualitative and two quantitative risk management methods and describe how they can be effectively used by a modern business to gain competitive advantage. (15 Marks)