MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF COMMERCE

BMS 201 RISK MANAGEMENT

DATE: 25/9/2019 **TIME: 2:00 – 4:00 PM**

INSTRUCTIONS:

Answer Question **ONE** and any other **TWO** questions.

QUESTION ONE (COMPULSORY) (30 MARKS)

a) Explain the term Risk Management. (4 marks)

b) Explain why businesses need to have Risk Management in place. (6 marks)

c) There are multiple ways into which risks can be categorized. Explain the Financial category. (6 marks)

d) Outline six instances in which risk management may fail. (6 marks)

e) As an accomplished risk management expert, outline success tips you would recommend to a businessman. (8 marks)

QUESTION TWO (20 MARKS)

a) You are the Risk Manager in your company. Outline the risk management cycle to the interns your company has just taken on board. (10 marks)

b) In managing the human resource risk in an organization, natural life changes is one of the factors to consider. Discuss the strategies you would put in place for managing these changes. (10 marks)

QUESTION THREE (20 MARKS)

A Risk Register is a management tool used to record relevant details relating to risks. It is a database of information on risks. Clearly illustrate the parts of a Risk Register.

QUESTION FOUR (20 MARKS)

a) Describe the following terms:

i. Risk appetite (3 marks)

ii. Risk culture (3 marks)

b) Outline the principles of risk management. (14 marks)

QUESTION FIVE (20 MARKS)

a) What sort of countermeasures would you take for the following risks? (14 marks)

i) Personnel Shortfalls
ii) Unrealistic schedules/budgets
iii) Developing the wrong software functions
iv) Developing the wrong User Interface
v) Gold Plating
vi) Continuing stream of requirements changes
vii) Shortfalls in externally furnished components
viii) Shortfalls in externally performed tasks
ix) Real-time performance shortfalls
x) Straining computer science capabilities

b) Outline the characteristics of a risk. (6 marks)