



THE KENYA NATIONAL EXAMINATION COUNCIL

Qualification Code : 041305T4PUS

Qualification : BUSINESS MANAGER LEVEL 5

Unit Code : BUS/OS/ BM/CR/05/5

Unit of Competency : CONTROL BUSINES RISKS.

WRITTEN ASSESSMENT

INSTRUCTIONS TO CANDIDATE

You have **THREE (3)** hours to answer all the questions.

Marks for each question are as indicated in the brackets

The paper consists of **THREE** sections: **A, B** and **C**.

Do not write on the question paper

This paper consists of SEVEN (7) printed pages.

Candidates should check the question paper to ascertain that all pages are printed as indicated and that no questions are missing.

SECTION A :(20MARKS)

Answer all questions in this section in the answer booklet provided. Each question carries one (1) mark.

1. Which of the following is **incorrect** risk management principle?
 - A. Accept no unnecessary risks
 - B. Make risk decisions at the appropriate level
 - C. Integrate in to operations and activity planning at all levels
 - D. Apply the process as needed
2. The following is included in PESTEL analysis except.
 - A. Production
 - B. Legal
 - C. Social
 - D. Economic
3. Risk management is defined as _____
 - A. Decision making process
 - B. Awingsafetyprogram
 - C. Common practices to reduce injuries stores personnel
 - D. Adecision-making tool for commanders
4. Who among the following falls under the scope of risk management?
 - A. Only personnel on duty
 - B. Administration
 - C. All personnel,Nopersonnel,anyone
 - D. None of the above
5. Which is the third step in the risk management process?
 - A. Identify hazards
 - B. Implement controls
 - C. Assess the hazards
 - D. Make control decisions

6. In overseas markets higher returns are usually associated with-----
- A. High risk and high attractiveness.
 - B. High risk and low attractiveness.
 - C. Low risk and high attractiveness.
 - D. Low risk and low attractiveness.
7. Identify a source of internal risks from among the following
- A. operational factors
 - B. economic factors
 - C. natural factors
 - D. political factors
8. When compiling a Risk Management job description, it is important to display the following skills **except**.
- A. Analytical skills
 - B. Commercial awareness skills
 - C. Planning and organizational skills
 - D. Health skills
9. Which of the following risks is not within the scope of financial risk management
- A. Market risk
 - B. Operation risk
 - C. Health risk
 - D. Credit risk
10. The following are types of organizational structures except.
- A. Hierarchical organization structure.
 - B. Functional organization structure.
 - C. Horizontal organization flat organization
 - D. Departmental organisational structure

11. Define hazard in relation to risk management

- A. It's a condition that creates the environment or increases the chances of the loss occurring
- B. It's a condition that creates the environment or decreases the chances of the loss occurring
- C. It's a condition that decreases the environment or increases the chances of the loss occurring.
- D. It's a condition that decreases the environment or decreases the chances of the loss occurring.

12. -----is an uncertainty that can have a negative effect on meeting project objective.

- A. Risk utility
- B. Risk tolerance
- C. Risk management
- D. Risk

13. Identify the test which is used by the human resource department to ensure that they get the right personnel.

- A. Competency test
- B. Uncertainty test
- C. Risk test
- D. Awareness test.

14. Which among the following is a tool used in risk identification

- A. Documentation reviews
- B. Questionnaire
- C. Evaluation
- D. Presentation

15. Which of the following is a factor to consider when selecting an insurance

- A. Company's attitude towards claim
- B. Financial stability
- C. The number of company directors
- D. The cost of company products

16. The introductory section of a risk report should aim to:
- A. Identify the specific focus of the study.
 - B. Provide a rationale for the dissertation, or article.
 - C. Grab the reader's attention.
 - D. All of the above.
17. What is the purpose of conclusion in a risk report?
- A. It just a summary what the article already said.
 - B. It summarizes the key findings in relation to the research questions.
 - C. It contains a useful review of the relevant literature.
 - D. It outlines the methodological procedures that were employed.
18. The recruitment of personnel to form the risk management team may be through the following **except**.
- A. Selection
 - B. Referrals
 - C. Outsourcing
 - D. Headhunting
19. John Strauss is a Project Manager for a reforestation project. To identify the risks involved, John sent a questionnaire to gather inputs from experts. Which technique is John using?
- A. Delphi technique
 - B. Interviews
 - C. Brain storming
 - D. Documentation review
20. Monitoring of risks includes the following **except?**
- A. Risk Identification and Analysis
 - B. Ongoing Monitoring
 - C. Separate Evaluations
 - D. Reporting Deficiencies

SECTION B:(MARKS 40)

Answer all the questions from this section

21. State **three** ways in which transference strategies are used in risk mitigation (3 marks)
22. Highlight **five** roles of risk management team. (5 marks)
23. Identify **four** shortcomings of risk management information systems. (4marks)
24. Every organisation needs to monitor and evaluate risk management process. Identify **four** benefits of doing so. (4marks)
25. State **four** factors that an organization may consider when preparing recruitment strategy (4 marks)
26. Propose **four** measures that a business management officer may take to ensure effective risk mitigation planning. (4 marks)
27. State **four** disadvantages of a risk management matrix as used in an organization (4 marks)
28. Name **four** types of market risks. (4marks)
29. Analyse **four** challenges that a business management officer may face while carrying out project evaluation. (4marks)
30. Outline **four** consequences of poor risk management to an organization. (4 marks)

SECTION C (MARKS 40)

Attempt any TWO questions they carry equal marks 20 marks each.

31. You have been employed as a risk manager in a production company which deals with oil production. In the recent years the company has been facing various risks.
 - a) Explain **five** ways of mitigating the risks in that organization and give relevant examples . (10 marks)
 - b) Explain **five** objectives of such a risk management plan. (10marks)
32. TAZACK Limited is a small medium size enterprise dealing with clearing and forwarding of used motor vehicles imported from Japan. The management is planning to establish a risk management team. The management has approached you for expert advice:

- a) Describe how to carry out risk management team job analysis for presentation to the top management. (10 marks)
 - b) Explain **five** benefits of carrying out analysis to the company. (10 marks)
33. As a risk management officer, you are required to draft a risk management report which will be presented to the top management.
- a) Define a risk management report (2 marks)
 - b) Describe **nine** items of information that should be included in the report (18 marks)

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