



THE KENYA NATIONAL EXAMINATIONS COUNCIL

Qualification Code : 041306T4BUS
Qualification : Business Management Level 6
Unit Code : BUS/OS/BM/CR/07/6
Unit of Competency : Manage Business Risks

WRITTEN ASSESSMENT

INSTRUCTIONS TO CANDIDATE

- (i) Time allocated: **THREE (3) hours**.
- (ii) Marks for each question are indicated in the brackets.
- (iii) The paper consists of **TWO** sections: **A** and **B**.
- (iv) Do not write on the question paper.
- (v) A separate answer booklet will be provided.

This paper consists of FOUR (4) printed pages.

The candidate should check the question paper to ascertain that all the

pages are printed as indicated and that no questions are missing

SECTION A (40 MARKS)

Answer all the questions

1. ABC limited is carrying out job analysis for a risk management intern job. State **two** products of the job analysis exercise. (2 marks)
2. The management of Habida Limited decided to use the stress interview on a candidate for the position of a risk Manager. List **three** features of a stress interview. (3 marks)
3. State the meaning of the term insurable risks . (2 marks)
4. State the meaning of the acronym SWOT as used in risk assessment. (4 marks)
5. State the difference between a pure risk and a speculative risk (2 marks)
6. List **four** risk mitigation strategies. (4 marks)
7. List **four** components a job description for a risk assessment manager. (4 marks)
8. Highlight **four** competencies that a risk manager should possess (4 marks)
9. State **four** reasons for outsourcing risk management function (4 marks)
10. List **three** risks associated with disposal of industrial waste into water bodies. (3 marks)
11. State the meaning of the term hazard (2 marks)
12. List four methods that an organization may use in risk management training (4 marks)
13. State the meaning of the term risk management policy (2 marks)

SECTION B (60 MARKS)

Answer Question 14 and any other two questions

Read the case below and answer questions 14 (a) and 14 (b)

NAIROBI

Nairobi has been a hub in business in Africa which has seen many foreigners settling in the country. This is attributed to the good climate that the city enjoys as well as availability of educated employees from a number of training institutions.

All Kenyans at some point require Nairobi because majority of the head offices are located in city. During the electioneering period most investors shy off from investing in other towns especially owing to businesses interruption, property loss and injuries to employees that happened in the 2007 general elections.

The Konza Technological City was a project to decongest Nairobi and as much as it has taken time; it is expected to provide more solutions on ICT security issues. The government may consider tax holidays to cushion firms relocating to the area from financial shocks during the first years of operation.

14. (a) A new firm is considering relocating to Nairobi. Describe six PESTEL factors the firm should consider to establish the viability of Nairobi as a business location.

(12 marks)

- (b) Discuss four business risks which affected businesses during the 2007-2008 general elections.

(8 marks)

15. (a) Explain five benefits that may accrue to a firm from carrying out a training needs analysis before training employees on risk management

(10 marks)

- (b) Kanga limited is in the process of establishing a Quarry in Maweland Estate. Advise the management on five reasons why they should conduct an environmental risk assessment of the area.

(10 marks)

16. (a) You have been given an opportunity to be in the selection panel of recruiting of a risk management supervisor. Explain five factors that should be considered when selecting the candidate (10 marks)
- b). Explain five internal control measures that should be put in place to reduce fraud risk in the accounting and finance departments of an organization. (10 marks)
17. (a) You have been tasked to prepare a risk monitoring report by your organization. Describe five contents that should appear in the report. (10 marks)
- (b) Taking an insurance policy is one of the best ways to mitigate risks. Discuss five reasons why insurance is not popular in Kenya. (10 marks)

easytvvet.com

THIS IS THE LAST PRINTED PAGE