

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR
OF AGRIBUSINESS MANAGEMENT

SUPPLEMENTARY EXAMINATION

AGBM 342: AGRICULTURAL RISK MANAGEMENT

STREAMS: AGBM

TIME: 2 HOURS

DAY/DATE: MONDAY 16/11/2020

11.30 A.M. – 1.30 P.M.

INSTRUCTIONS: Answer question ONE and any other THREE questions

QUESTION ONE (25 MARKS)

1. Explain two categories of risk classification (4 marks)
2. Differentiate between physical and moral hazards (4 marks)
3. Expound on five benefits of statements policy (5 marks)
4. Discuss three sources of risks (3 marks)
5. Explain three primary components of a risk (3 marks)
6. Define the following terms:
 - i) Property loss exposure (2 marks)
 - ii) Morale hazard (2 marks)
 - iii) Peril (2 marks)

QUESTION TWO (15 MARKS)

- a) Once a risk assessment has been undertaken, or when it is being reviewed, it is important to develop actions that will be put in place on how to best respond to risks that have been identified. Discuss four ways responses can be developed (8 marks)
- b) Elucidate what is involved in risk control (7 marks)

QUESTION THREE (15 MARKS)

- a) Discuss the content of a risk management plan (10 marks)
- b) Explain five benefits of risk management implementation in an organization (5 marks)

QUESTION FOUR (15 MARKS)

- a) Explain four tools and techniques for quantitative risk analysis in risk management of agricultural organization (8 marks)
- b) Differentiate between pure and speculative risks (7 marks)

QUESTION FIVE (15 MARKS)

- a) Explain five basic rules of risk management (5 marks)
 - b) Discuss five evaluation tools used during loss exposure (10 marks)
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