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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2019/2020 ACADEMIC YEAR
THIRD YEAR, SECOND SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 8th April, 2019
Time: 11.00am – 1.00pm

KFI 306 –RISK MANAGEMENT

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) State five items found in a risk register. (5 Marks)
- b) Explain four common risk response strategies to handle negative risks based on any of these Risk Breakdown Structure (RBS). (8 Marks)
- c) The Operations Research Unit of a Fast Moving Consumer Goods (FMCG) company had generated the following payoff table, which is given below;

State of Business Nature

Decision	S1	S2	S3
D1	10	8	6
D2	14	15	2
D1	10	8	6

Required;

- i) What decision should be made by the optimistic decision maker? (5 Marks)
- ii) What decision should be made by the conservative decision maker? (5 Marks)
- iii) What decision should be made under the minimax regret if the probabilities of s1, s2, and s3 are 0.2, 0.4 and 0.4 respectively? (3 Marks)
- iv) What decision should be made under the expected value? (2 Marks)
- d) What is Expected Value of Perfect Information (EVPI)? (5 Marks)

QUESTION TWO (20 MARKS)

- a) Explain four methods of managing risks. (8 Marks)
- b) Design a simple risk register within the supply chain of an organization of your choice. (7 Marks)
- c) Explain the use of ratio analysis in risk evaluation. (5 Marks)

QUESTION THREE (20 MARKS)

- a) Propose a range of risk assessment tools or techniques that could be used to reduce the risk of supply chain fraud. (12 Marks)
- b) Give a detailed explanation of the term contingency planning with the use of examples. (8 Marks)

QUESTION FOUR (20 MARKS)

- a) Highlight six business risk mitigation strategies. (8 Marks)
- b) Discuss the following types of risks
 - i) Professional risks (3 Marks)
 - ii) Financial risk (3 Marks)
 - iii) Strategic risks (3 Marks)
 - iv) Supply risks (3 Marks)

QUESTION FIVE (20 MARKS)

- a) Explain five current business trends that increase the vulnerability of risk in supply chain. (10 Marks)
- b) Discuss five technological applications in risk management. (10 Marks)