041306T4BUS

BUSINESS MANAGER LEVEL 6

BUS/OS/BM/CR/07/6/A

MANAGE BUSINESS RISKS

July/August 2024

TVET CURRICULUM DEVELOPMENT, ASSESSMENT AND CERTIFICATION COUNCIL (TVET CDACC)

WRITTEN ASSESSMENT

TIME: 3 HOURS

INSTRUCTIONS TO CANDIDATE

1. This paper consists of two sections; **A** and **B**
2. Attempt **ALL** questions as guided in each section
3. Marks for each question are indicated in the bracket ().
4. You are provided with a separate answer booklet to answer the questions
5. Do not write in this question paper.

This paper consists of four (4) printed pages

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

Turn over

SECTION A: (40 MARKS)

Answer **ALL** questions in this section

1. By effectively utilizing a Risk Assessment Matrix, businesses can enhance their ability to manage commercial risks. List **four** benefits of Using a Risk Assessment Matrix. (4 Marks)
2. Insurance institutions play a crucial role in risk management. Highlight **four** roles played by such institutions in risk management. (4 Marks)
3. Differentiate between the following terms insurance management and risk. Management. (2 Marks)
4. John, has been tasked with a duty of situational assessment for Bidii limited company. State **four** analysis methods he may rely on when analyzing risks during the assessment. (4 Marks)
5. As an intern at Zebra insurance firm, outline **four** importance of risk retention as a parameter in risk management. (4 Marks)
6. A well-established institution that demonstrates a robust risk strategy possesses some characteristics. Mention **four** such characteristics. (4 Marks)
7. Risk mitigation is an essential business practice of developing plans and taking actions to reduce threats to an organization. State **three** risk mitigation strategies. (3 Marks)
8. Labor turnover refers to the net departure of employees over a defined Period of time. Outline **four** causes of labor turnover . (4 Marks)
9. Business risk lowers a company's profits or leads to its failure. Name **three** causes of business risks. (3 Marks)
10. When conducting market risk analysis, it's crucial to be aware of potential risks that may affect the accuracy and reliability of your findings. Mention **four** such risks. (4 Marks)
11. Risk analysts help companies and institutions reduce the liabilities associated with business decisions by analyzing market conditions and financial data. Give **four** skills that a risk analyst should possess. (4 Marks)

SECTION B (60 MARKS)

Answer question twelve (12) and any other two questions in this section.

12. XYZ Software Solutions is a mid-sized company specializing in developing custom software solutions for various clients across industries. With an increasing number of projects and clients, the company recognizes the importance of robust risk management procedures to ensure project success and client satisfaction. XYZ Software Solutions has recently embarked on a high-profile project to develop a comprehensive enterprise resource planning (ERP) system for a large manufacturing client. The project involves multiple stakeholders, complex requirements, and a tight deadline. Recognizing the inherent risks associated with such a project, the company decides to implement a thorough risk monitoring and evaluation plan.

    a) XYZ Software Solutions has gained a lot of reputation in the software development industry by implementation of risk monitoring and evaluation plan. Explain **five** contributions of the plan on the company's achievements. (10 Marks)

    b) For sustainability there is need to foster a culture of continuous improvement in risk management practices. Explain **five** measures XYZ Software Solutions took during ERP project to succeed. (10 Marks)

13. a) You have been employed by Bingo Insurance ltd to manage the personal insurance portfolio. Explain **five** types of personal insurance policies available in the current market. (10 Marks)

    b) Explain the following terms as used in risk management:

    i. Risk control. (2 Marks)
    ii. Political risk. (2 Marks)
    iii. Risk register. (2 Marks)
    iv. Risk assessment. (2 Marks)
    v. Risk appetite. (2 Marks)

14. a) Establishing a risk management organization structure involves the consideration of some essential elements. Elaborate on such **five** elements. (10 Marks)

    b) Mary, an insurance manager is in the process of recruiting new risk management team. Describe **five** steps which she should adhere to in order to achieve her objective effectively. (10 Marks)

15. a) You have been tasked to prepare a proposal on strategies that would help a business to avoid business interruption. Propose **five** strategies that you would include in the proposal. (10 Marks)

    b) Commercial risk is the risk a company takes by offering credit with no collateral. Illustrate **five** types of commercial risks faced by business. (10 Marks)