

041306T4BUS

BUSINESS MANAGEMENT LEVEL 6

BUS/BM/CR/07/6/A

MANAGE BUSINESS RISKS

Nov/Dec 2023



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

WRITTEN ASSESSMENT

Time: 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This paper has **TWO** sections **A** and **B**.
2. You are provided with a separate answer booklet.
3. Marks for each question are indicated in the brackets ().
4. Do not write on the question paper.

This paper consists of Three (3) 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 (40 MARKS)

Answer all the questions in this section

1. Define the following terms as used in risk management. (4 Marks)
 - (a) Contingency
 - (b) Peril
2. An organization has identified a number of risks facing them. Highlight **four** risk mitigation strategies that the organization may adopt. (4 Marks)
3. ABC Limited has contracted a professional to assess the risks that the organization is exposed to. Identify **three** ways that may be used to assess the risks. (3 Marks)
4. List **three** methods of valuing organization assets. (3 Marks)
5. You have been requested to draft roles of a risk management team in your organization. Suggest **five** roles you shall include in the draft. (5 Marks)
6. An employee has reported to work drunk. Identify **four** risks that the employee poses at the work place. (5 Marks)
7. You have been tasked to develop a risk assessment matrix to be used in evaluation and prioritization of risks in your department. Identify **three** categories of risks that you shall include. (3 marks)
8. List **four** pure risks that a manufacturing firm may be exposed to. (4 Marks)
9. Outline **four** preparations for a selection panel before interviewing a candidate for a risk management position. (4 Marks)
10. An organizations management information system has been hacked. Identify **five** ways through which an organization may protect its information system. (5 Marks)

SECTION B (60 MARKS)

Answer any THREE questions in this section.

Maximum marks for each question is 20.

11. (a) A new firm is considering relocating to location X. Describe **six** PESTEL factors the firm should consider to establish the viability of the proposed location. (12 Marks)
- (b) Town W has experienced political demonstrations over the past three months due to increased cost of living. Suggest **four** business risks that may be associated with these demonstrations. (8 Marks)
12. (a) Analyse **five** benefits of carrying out a training needs analysis in the preparation for employees training on risk management. (10 Marks)
- (b) Mathiga limited is in the process of establishing a Quarry in Landmawe estate. Advise the management on **five** benefits of conducting an environment risk assessment of the area. (10 Marks)
13. (a) You are a panelist in the selection of a Risk Management Supervisor. Explain **five** factors that should be considered when selecting a candidate to fill the position. (10 Marks)
- (b) An organization is evaluating the effectiveness of its risk management function. Describe **five** parameters that may be used. (10 Marks)
14. (a) You have been tasked to prepare a risk monitoring report for the ending financial year. Describe **five** contents that shall be featured in the report. (10 Marks)
- (b) Taking an insurance policy is one of the best ways to mitigate risks. Explain **five** reasons for unpopularity of Insurance in Kenya. (10 Marks)