

041305T4BUS

BUSINESS MANAGEMENT LEVEL 5

BUS/OS/BM/CR/05/5/A

CONTROL 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 **THREE** sections **A**, **B** and **C**.
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 Seven (7) 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 (20 MARKS)

Answer ALL the questions in this section. Each question carries one (1) mark.

1. As a business manager, what is the first step, in risk assessment?
 - A. Control the risk
 - B. Assess the risk
 - C. Document the risk
 - D. Review the risk
2. Which of the following is a method of transferring risks?
 - A. Strict controls
 - B. Avoidance
 - C. Insurance
 - D. Contracting
3. Which of the following is a technological risk?
 - A. Price fluctuations
 - B. Currency fluctuations
 - C. Moral degradation
 - D. Human error
4. Which of the following is a component of a job specification?
 - A. Reporting responsibility
 - B. Level of experiences
 - C. Roles to be assigned
 - D. Salary scale
5. Which of the following is a risk mitigation plan?
 - A. Training
 - B. Debriefing
 - C. Appraisal
 - D. Resourcing
6. The main aim of business risk control is to_____.
 - A. consolidate goal setting
 - B. evaluate employee performance and award them.
 - C. identify, assess and prepare for any danger.
 - D. solve problems before they become worse.

7. The following are risk mitigation strategies except?
- A. Avoidance
 - B. Reduction
 - C. Acceptance
 - D. Merging
8. A manager may use risk assessment report in order to _____
- A. Boost centralization
 - B. Evaluate hazards
 - C. Boost behaviors
 - D. Motivate employees
9. The following are Internal Controls except?
- A. Segregation of duties
 - B. Human resource controls
 - C. Physical controls
 - D. Social controls
10. _____ is a reputation risk.
- A. Defamation
 - B. Recognition
 - C. Competition
 - D. Mergers
11. Identify an economic risk from the choices listed below.
- A. Changes in means of payment
 - B. Changes in Mode of payment
 - C. Changes in Interest rates
 - D. Changes in Technology
12. A peril is a _____.
- A. Moral hazard
 - B. Catastrophic immediate danger
 - C. A condition that increases chances of loss
 - D. Probability of loss to occur
13. Which of the following is not a pillar of risk management?
- A. Effective reporting
 - B. Effective Communication
 - C. Proactive design

D. Strategic orientation

14. The process of planning for disaster and having away to lessen negative impact is known as?
- A. Risk transfer
 - B. Risk limitation
 - C. Mitigation plan
 - D. Mitigation exploitation
15. A hazard refers to _____
- A. Conditions that increase the possibility of a loss happening.
 - B. Risks whose occurrence is not guaranteed and leads to losses if they occur.
 - C. The process of planning for disaster.
 - D. A risk mitigation strategy to avoid losses.
16. Head hunting is common for which cadre of employees?
- A. Casual Staff
 - B. Operational staff
 - C. Middle Management
 - D. Top Management
17. Which one of the following is a process in the recruitment process?
- A. Job ranking
 - B. Job evaluation
 - C. Longlisting
 - D. Appraisal
18. What is a pure risk?
- A. The risk occurrence can only result to a profit
 - B. The risk occurrence can only result to a loss
 - C. The risk occurrence can result to a profit or loss
 - D. The risk occurrence can only result to no loss or gain
19. The following are objectives of plant and equipment maintenance except?
- A. To save on cost of maintenance
 - B. To maintain the quality of products
 - C. To maintain a good relationship
 - D. To minimize accidents

20. When is the right time to identify risks associated with a plant?

- A. Before Installation
- B. Before operating
- C. Before acquisition
- D. Before disposal

SECTION B (40 MARKS)

Answer ALL the questions in this section.

21. Define the following terms as used in risk management. (4 Marks)
- (a) Insurable risks
 - (b) Risk management policy
22. You have been tasked to make a presentation on risk mitigation strategies. Outline **three** strategies you would include in your power point presentation. (3 Marks)
23. John is required to develop a job description for a business manager. Mention **three** details that he should include. (3 Marks)
24. Mwamko Limited has been disposing industrial waste on the nearby river. Identify **three** possible risks associated with this practice. (3 Marks)
25. Your department has organized a risk management training. Highlight **three** training methods that may be used. (3 Marks)
26. What does the acronym SWOT stand for as used in risk assessment? (4 Marks)
27. ABC Limited is carrying out job analysis for a branch manager job title. Highlight **two** products of the job analysis exercise. (4 Marks)
28. The management of Swahili Limited decided to use the stress interview on a candidate filling the position of a risk manager. Outline **five** features of a stress interview. (5 Marks)
29. Outline **three** competencies that an effective Risk Manager should possess. (3 Marks)
30. Organizations hold a reservoir of cash for a number of motives. Highlight **four** such motives. (4 Marks)
31. Some organizations prefer to outsource risk management function. Outline **four** reasons for the preference. (4 Marks)

SECTION C (40 MARKS)

Answer any TWO questions from this section

The maximum marks for each question is 20.

32. (a) An organization has suspected an attempted hacking of its information management system. Suggest **five** ways through which they can protect their data. (10 Marks)
- (b) You have been tasked to prepare a risk monitoring report. Describe **five** contents that you shall capture in the report. (10 Marks)
33. (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) Suggest **five** reasons that necessitate the need to consider legal and regulatory requirements when undertaking risk mitigation plan in a company. (10 Marks)
34. (a) A consultant has identified employee injury to be an area that poses risks to the company. As a member of risk management team, explain **five** recommendations that can mitigate this risk. (10 Marks)
- (b) ABC Limited is in the process of recruiting technical staff. Advise the management on **five** risks to mitigate in the process. (10 Marks)