

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTEMENT OF INSURANCE AND ACTUARIAL SCIENCE

B.COMM. (HONOURS) DEGREE IN COMMERCE

APPLIED RISK MANAGEMENT (CIN 2107)

FIRST SEMESTER FINAL EXAMINATION – DECEMBER 2001

DURATION: 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Answer Question One Section A
2. Answer Three Questions from Section B
3. You may use a non-programmable scientific calculator

SECTION A

Question one

How does inadequate information influence the perceived degree of uncertainty in any given situation?
[10 marks]

SECTION B

Question Two

Justify the criticism leveled against the traditional risk identification techniques.
[30 marks]

Question Three

Discuss the risk exposure factors that a prudent risk manager would draw to the attention of an organisation that plans to engage in export marketing.
[30 marks]

Question Four

Challenge the view that the role played by risk management in any organisation is insignificant.
[30 marks]

Question Five

Discuss the different human behaviours in which one's attitude to risk manifest itself.

[30 marks]

Question Six

Design a one year risk management programme for Big Birds (Pty) Ltd, a South African owned Ostrich farming organisation that will be investing US\$5 million in the takeover of Birds of Botswana (Pvt) Ltd, an ostrich farming project that has been in operation in Botswana over the last two years. State the assumptions upon which your programme is based.

[30 marks]

END OF EXAMINATION PAPER