



NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF INDUSTRIAL TECHNOLOGY

DEPARTMENT OF INDUSTRIAL AND MANUFACTURING ENGINEERING

Bachelor of Engineering (Hons) Degree Industrial and Manufacturing  
Engineering

BUSINESS STUDIES III – RISK MANAGEMENT

TIE 5105

First Semester Examination Paper

December 2014

This examination paper consists of 5 pages.

Time Allowed: 3 hours

Total Marks: 100

Special Requirements: NONE

### **INSTRUCTIONS**

1. Answer question number 1 and any other three (3) questions.
2. Start the answer to each full question on a fresh page.
3. Write neatly and legibly.

### **MARK ALLOCATION**

QUESTION	MARKS
<u>1</u>	<u>40</u>
<u>2</u>	<u>20</u>
<u>3</u>	<u>20</u>
<u>4</u>	<u>20</u>
<u>5</u>	<u>20</u>

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### **QUESTION 1 (Compulsory).**

Read the case study titled, “**Apartment Building Collapse in Egypt Kills at Least 19**”.

- 1.1 Analyse the risk exposures associated with this event, and suggest any pre-loss and post-loss measures to deal with such events.

**[30 marks]**

- 1.2 With the use of relevant examples, distinguish between peril and hazard.

**[10 marks]**

**[Total 40 marks ]**

### **QUESTION 2**

Present a case for the strategic approach to managing risk, and suggest some of the reasons as to why risk has to be managed.

**[ Total 20 marks ]**

### **QUESTION 3**

Explain the following risk classifications and their insurability;

- 3.1 incidental risks **[12 marks]**

- 3.2 event (pure) risks **[8 marks]**

**[ Total 20 marks ]**

#### **QUESTION 4**

Discuss some of the more common micro risk identification techniques.

**[ Total 20 marks ]**

#### **QUESTION 5**

5.1 Explain the cover under a construction insurance policy.

**[ 8 marks ]**

5.2 In underwriting construction insurance, what risk factors do you consider in respect of the contractor, the site and surrounding property?

**[12 marks]**

**[ Total 20 marks ]**

**END OF EXAMINATION PAPER.**