



NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF INDUSTRIAL TECHNOLOGY

DEPARTMENT OF INDUSTRIAL AND MANUFACTURING ENGINEERING

BUSINESS STUDIES – RISK MANAGEMENT

TIE 5105

First Semester Examination Paper

December 2014

This examination paper consists of 3 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>

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 PAPER.