



UNIVERSITY OF RUHUNA  
FACULTY OF MANAGEMENT AND FINANCE

No of Pages: 03  
No of Questions: 06  
Total Marks 60

BBA 2207– Risk Management

BACHELOR OF BUSINESS ADMINISTRATION DEGREE 2000LEVEL

SECOND SEMESTER END EXAMINATION – June / July 2015 Repeat

Two Hours

*Instructions*

➔ Answer only five questions.

- (1) (a) What does risk management mean? (03 marks)
- (b) Is risk different from uncertainty? Explain (03 marks)
- (c) Explain the difference between pure risk and speculative risk by giving an example. (06 marks)
- (Total 12 Marks)
- (2) (a) Why risk management is necessary for business organizations? (06 marks)
- (b) What is risk assessment? (03 marks)
- (c) State liability risk areas in organizations (03 marks)
- (Total 12 Marks)
- (3) a) Explain the relationship between “Risk control” and “Risk financing”. (03 marks)
- b) Consider the three recent events in which loss has occurred and suggest any possible risk control activities. (06 marks)
- (c) Explain the duties of a Risk Manager. (03 marks)
- (Total 12 Marks)

(4) Do you agree with the following statements? Justify your answer.

- a) Risk management is needed only for large businesses.
- b) The events that had happened in the past may also be happened again
- c) Risk management is used in households.
- d) Transferring of all risks to others exemplify good risk management

(3 × 4 = Total 12 marks)

(5)

- (a) "Risk Management is an endless process". Explain.
- (b) "Objective of risk management is securing rather than constructing". Justify.
- (c) "Pooling is a method of risk financing". Discuss.

(4 × 3 = Total 12 marks)

(6) Briefly explain the following risk management techniques by giving an example.

- (a) Risk reduction
- (b) Risk transfer
- (c) Risk avoidance
- (d) Risk acceptance

(3 × 4 = Total 12 marks)