



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**DEPARTMENT OF FINANCIAL STUDIES**  
**2022\_2 EXAMINATION**

**COURSE CODE: BFN421** **CREDIT UNIT: 2**

**COURSE TITLE: RISK MANAGEMENT AND INSURANCE**

**TIME ALLOWED: 2 Hours**

**INSTRUCTIONS:**

- 1. Attempt question number one (1) and any other two (2).**
- 2. Question number 1 is compulsory and carries 30 marks, while the other questions carry 20 marks each**
- 3. Present all your points in a coherent and orderly manner**

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- 1) Nigeria has for a while been engulfed in security issues with its attendant consequences. This has impacted negatively on business generally. Specifically, the nation's business environment has been found to be bedevilled by an array of risks. Identify and explain any six (6) causes of risk in a typical business environment. **(30 marks)**
- 2) Discuss the salient deductions which underline the nature of risk in a business organisation. **(20 marks)**
- 3a) Discuss the differences between risk and uncertainty in business management. **(8 marks)**
- 3b) Discuss any six reasons for the justification of effective risk management in business organisation. **(12 marks)**
- 4) The risk manager assesses the organisation's risk exposure to determine the appropriate options to adopt in handling risks. Discuss the process appropriate for risk management. **(20 marks)**