



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja**  
**Faculty of Management Sciences, Department of Financial Studies**  
**2024\_2 EXAMINATION**

**COURSE CODE:** BFN 421.

**Credit Unit: 2.**

**COURSE TITLE:** RISK MANAGEMENT AND INSURANCE

**TIME ALLOWED:** TWO HOURS

**INSTRUCTIONS:** 1. Attempt Question 1 and any other two (2) Questions.  
2. Question 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.

1. (a) What do you understand by composite risk index? **(10 Marks)**  
(b) Self Insurance is one of the measures an organization can take to mitigate the cost of risk to an organization.  
What are the merits and demerits of undertaking self-insurance by an organization? **(20 Marks)**
2. Write short notes on the following.
  - a) Risk assessment /analysis (6 Marks)
  - b) Risk control (6 Marks)
  - c) Risk financing (8 Marks) **(20 Marks)**
3. Various techniques are applied by risk manager to detect risk.  
List and Explain 5 of the techniques **(20 Marks)**
4. Business risk can affect both inside and outside stakeholders of a business organization.  
Identify the outside stakeholder of a business and explain how they are exposed to risk affecting business including the options available to mitigate the risk. **(20 Marks)**