



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2025_1 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 2 questions carry 20 marks each. Present all your points in coherent and orderly manner.**
-

1a. Discuss the nature of Internal and External risk that could exist in contemporary business environment.
12 marks

1b. Explain any six (6) factors that militate against personal risk management compared with the management of corporate risk.
18 marks

2. Explain five (5) advantages and five (5) disadvantages inherent in self-insurance.
20 Marks

3. Discuss six (6) ways a company can fund its risk exposures and still post optimal results.
20 marks

4a. Explain any four (4) inside stakeholders of a business organization and show how they can be affected by risks in operations.
12 marks

4b. Discuss briefly any four (4) of the following terms:

- i. Risk seeker
- ii. Risk neutral
- iii. Risk averter
- iv. Risk measurement
- v. Risk treatment

8 marks