



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