

PGDM (Insurance Business) 2014-16
Risk Management
INS-202

Trimester-II, End-Term Examination: December-2014

Time Allowed: 2½ Hrs.

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Section A

Attempt any three questions. All Questions Carry equal Marks. (15)

- A1. (a) Give an example of Risk Mapping and Risk Matrix.
(b) Define the terms Securitization and Insuratization.
- A2. What are "Cost of Risks "and what are they dependent upon? Briefly describe with suitable examples.
- A3. (a) Distinguish between Strategic Management and Risk Management.
(b) Distinguish between Risk profile and Risk Audit.
- A4. Discuss Threat Analysis with an example as risk identification techniques.
- A5. Define ERM and explain its role briefly.

Section B

Attempt any two questions. All Questions Carry equal Marks. (20)

- B1. (a) Define the role, responsibilities and function of a Risk Manager.
(b) Explain the interrelation between Risk Analysis, Risk Control and Risk Financing.
- B2. An effective risk management programme adopts proper procedure and methods to ensure compliance with all applicable legal provision. State 5 examples of such legal requirements.
- B3. (a) Discuss the global trends in insurance industry that led to development of ART.
(b) Identify three types of stakeholders and explain the types of risk that might arise from their interest

P.T.O.

Section C : Compulsory

(15)

Case 1 :

(6)

As a part of its process of risk management an organization has identified a risk which is unacceptable.

- a. Explain the three high level options available to an organization for controlling the risk.
- b. Explain how the organization could prepare for an unexpected significant loss incident which could threaten the survival of the organization
- c. Explain how and why the Risk Management process should be monitored and reviewed.

Case 2 :

(9)

City Bus Corporation provides school bus transportation to private and public schools India. City Bus owns 50 buses that are engaged in three different cities within the country. The firm faces competition from two larger bus companies that operate in the same area. Public school boards and private schools generally award contracts to the lowest bidder, but the level of service and overall performance are also considered.

- a. Identify the major loss exposures faced by city Bus.
- b. For each of the loss exposure identified in (a) identify a risk management technique or combination of techniques that could be used to handle the exposure.
- c. Describe several sources of funds for paying losses if retention is used in the risk management programme.
