



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN
BANKING & FINANCE**

FUNDAMENTALS OF RISK ANALYSIS & MANAGEMENT

HBAF 206

PART 2 SEMESTER 1 EXAMINATION

TOTAL MARKS [100]

DATE: JUNE 2024

Time: 3 Hours

INSTRUCTIONS

- 1 This paper has *six (6)* questions
 - 2 Answer Question One (*1*) and any other *three (3)*
 - 3 Each question carries *25 marks*
 - 4 Start each question on a new page
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1. Compare and contrast risk management and risk-taking. (25)
2. With the aid of examples, evaluate and compare the following as they are used to measure and manage risk:
 - a) Quantitative measures (8)
 - b) Qualitative risk assessment techniques (8)
 - c) Enterprise risk management (9)
3. Explain how each type of risk can arise, and assess the potential impact of each type of risk in an organization of your choice. (25)
4. Explain how risk factors can interact with each other and highlight the challenges in aggregating risk exposures. (25)
5. Compare and contrast the strategies a firm may use to manage risk exposures and highlight how it may apply each strategy. (25)
6. Explain the relationship between risk appetite and a firm's risk management decisions. (25)

END OF PAPER