



**UNIVERSITI KUALA LUMPUR
MALAYSIAN INSTITUTE OF INDUSTRIAL TECHNOLOGY**

**FINAL EXAMINATION
JANUARY 2016 SEMESTER**

COURSE CODE : JGB40503
COURSE TITLE : RISK MANAGEMENT
PROGRAMME LEVEL : BACHELOR
DATE : 19 MAY 2016
TIME : 2.30 PM – 5.30 PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper **CAREFULLY**.
2. This question paper is printed on both sides of the paper.
3. This question paper consists of Section A and B.
4. Answer **ALL** questions in Section A. Section B, answer **THREE (3)** questions only.
5. Please write your answers on the answer booklet provided.
6. Answer **ALL** questions in English

THERE ARE 3 PAGES OF QUESTIONS EXCLUDING THIS PAGE.

SECTION A (Total: 40 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

(a) As a warehouse manager at UniKL Services Sdn Bhd, propose to the Board of Directors any from **FIVE (5)** methods of handling risk to protect the company's warehouse for the purpose of managing the risk of **fire, goods defect, burglary, and natural disaster**. Provide relevant examples and descriptions.

(10 marks)

(b) Briefly explain on the **FIVE (5)** steps involved in the risk management process.

(10 marks)

Question 2

(a) Differentiate the principles of Conventional and Islamic Insurance

(10 marks)

(b) Briefly explain each type of insurance policy below:

- Good in Transit Insurance
- Motor Insurance
- Liability Insurance
- Burglary Insurance
- Re-Insurance

(10 marks)

SECTION B (TOTAL: 60 marks)

INSTRUCTION: Answer THREE (3) questions ONLY.

Please use the answer booklet provided.

Question 1

(a) Illustrate with a diagram the relationship between risk, hazard, peril and loss. Define the terms accordingly.

(4 marks)

(b) It is very important in knowing the types of hazards in risk management. It facilitates the organization in managing their risks as well as to minimize their risk exposures. Differentiate **FOUR(4)** types of hazards and support your answers with an example.

(16 marks)

Question 2

(a) It is very important for a manufacturing company to establish the Disaster Recovery Plan for ensuring the continued success in its operations. Give your opinion to support this statement.

(10 marks)

(b) Explain all **TEN (10)** steps involved in implementing a Business Continuity Plan.

(10 marks)

Question 3

- (a) Marine insurance is a unique insurance policy which has its own procedures and provisions of legislation and the risks involves are extremely high and complex. From your point of view, please define the definition of Marine Insurance and briefly explain about the areas covers under the Marine Insurance Policy. (5 marks)
- (b) Under Institute of Marine Cargo (A), there have five main clauses that explain about the coverage and exclusion of the cargo insurance policy. State and explain all **FIVE (5)** of the clauses in the Institute of Marine Cargo (A). (15 marks)

Question 4

Your company is expanding its manufacturing capacity and has managed to acquire the new factory building in the industrial area. All the machinery and equipment for operation have been duly installed at the new factory.

As an Operation Manager you are required to give serious consideration to the following issues in order to manage the risks that have resulted from the expansion exercise.

- (a) Identify and analyze the risks that the company may be exposed by expanding the company operation. Illustrate your risk finding on the mind map. (10 marks)
- (b) Recommend on appropriate types of insurance to be taken up in order to manage the risks that you have identified. Explain further. (10 marks)

END OF EXAMINATION PAPER