

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

**FINAL EXAMINATION
JANUARY 2016 SEMESTER**

COURSE CODE : JLD30102
COURSE TITLE : RISK MANAGEMENT AND INSURANCE
PROGRAMME LEVEL : DIPLOMA
DATE : 31 MAY 2016
TIME : 9.00AM – 12.00PM
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)

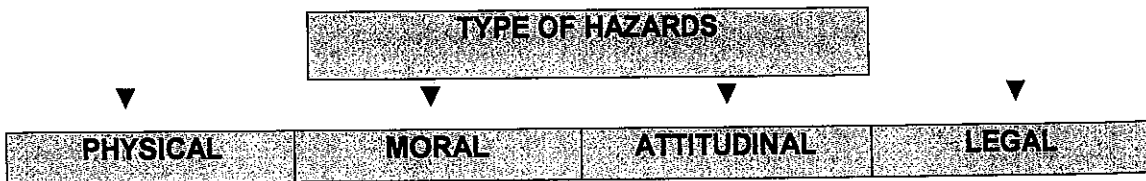
INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

(a) Please define and explain the relationship between loss, hazard, perils and risk in a diagram.

(4 marks)

(b) Describe each types of hazards below. Support your answer with an examples.



(16 marks)

Question 2

Define and explain the following terms:

- (a) Proximate cause
- (b) Utmost good faith
- (c) Subrogation
- (d) Indemnity
- (e) Contribution

(20 marks)

SECTION B (TOTAL: 60 marks)**INSTRUCTION: Answer THREE (3) questions only.****Please use the answer booklet provided.****Questions 1**

XYZ Sdn Bhd is a prominent company in the local oil and gas industry. XYZ Company imports crude oil from Terengganu by sea and processes it at its own processing plant in Melaka. XYZ Sdn Bhd uses its own vessel to transport the crude oil from Terengganu to Melaka.

As a Risk Manager of the company, you has been instructed to deal with the insurance company on purchasing the Marine Insurance Policy. Discuss the matter below:

(a) **THREE (3)** main coverage areas of marine insurance; (10 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. Discuss all **FIVE (5)** of the clauses in the Institute of Marine Cargo (A). (10 marks)

Question 2

Your company has come to a decision to expand its service towards providing the warehouse servicing. Currently, your company provides delivery service only. As a Risk Manager of the company, your job is to identify the risks that maybe expose regarding the expansion exercise.

Give **FIVE (5)** detailed recommendations on appropriate types of insurance to be taken up in order to manage the risk that you have identified. (20 marks)

Questions 3

Asset management, broadly defined refers to a system that monitors and maintains things of value to an entity or group. It may apply to both tangible assets such as buildings and to intangible asset. In order to successfully monitor and maintains the assets, a risk manager is required to implement the risk management toward the assets so that the assets are secured and safety. Explain with examples **FIVE (5)** steps in a risk management process that can be use in managing all the risk that expose to company assets and property.

(20 marks)

Question 4

Rokiah bought a double storey shop lot in Bandar Seri Alam. She intends to lease the first floor for a Commercial Office and the ground floor for his family business, a Western Food Restaurant. She is in a dilemma on the type of insurance that she should purchase and she also do not know about what is the coverage in the insurance policy.

Prepare a proposal advising Rokiah on the following issues:

(a) The principles of conventional and Islamic insurance;

(8 marks)

(b) Recommend the **type of insurance policy** that can be taken by rokiah for her situation and explain the **coverages** that include under that suggested insurance policy.

(12 marks)

END OF EXAMINATION PAPER