

MAY, 2011

**FG-86**

**FELLOWSHIP EXAMINATION**  
**RISK MANAGEMENT**

Time: 3 Hours]

[Total Marks : 100

Answer any **FIVE** questions only.  
All questions carry 20 marks each.

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1. Write short notes on : 5 each
  - a) Phases of Disaster.
  - b) Goals of Finite Risk Reinsurance
  - c) Law of Large numbers
  - d) 3 fold approach to manage risks.
  
2. Write short notes on the following : 5 each
  - a) Insurance & ERM
  - b) Components of ERM
  - c) Briefly comment on the legal issues which were prevalent before and later influenced by the Bhopal Gas Tragedy.
  - d) Describe BCP with Suitable examples.
  
3.
  - a) What is meant by "Cost of Risk"? Explain the variables on which costs of Risks are dependent and provide suitable examples. 10 each
  - b) What are the basic components of a Risk Management Process? How does such a process aid any business enterprise?
  
4.
  - a) What factors weigh in deciding risk management process objectives? 10 each
  - b) Mention at least ten duties of a risk Manager.
  
5. Provide a detailed example of how you would build up on appropriate Risk Management Programme assuring you are the Head of Risk management of your organization. 20
  
6. Explain the key considerations to be employed while formulating and recommending a "Risk Retention and Transfer Strategy" for an enterprise. How will you select, implement and monitor the best technique out of various possible alterations ? 20

7. Management of ABC Ltd. wishes to know the method of valuing an owners direct property loss exposure. Elaborate and state which ones are preferred for risk management purposes. 20
8. MPT Ltd. is a tiles producing company with a labour force of 250. The management has asked the Risk Manager to evaluate the security and safety features in the factory from workers point of view. Elaborate the points that would be covered. 20

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