

The Co-operative University of Kenya  
Diploma in Agri-Business Management  
DAFS 2219: Risk Management in Agriculture

**Question One**

- a) The agricultural sector is very dynamic and what would be considered to be uninsurable today might very well be insurable tomorrow. This has been necessitated by a need to thrive in a robust industry that has become increasingly competitive. However, for them to agree to insure against a given risk factor, there must be some underlying requisites that must be met. Discuss the requisites of insurability. **(10 marks)**
- b) Discuss the classes of risk retention **(8 marks)**
- c) Distinguish between Whole life assurance and endowment assurance **(4 marks)**
- d) Explain FOUR parts of an insurance contract **(8 marks)**

**Question Two**

- a) Challenges faced by risk managers in the agricultural sector are often similar to those faced by other managers. However, there are a number of key characteristics that tend to distinguish the problems faced by risk a manager from those faced by other managers. Discuss the characteristics of risk management problems **(12 marks)**
- b) Discuss FOUR risk management strategies **(8 marks)**

**Question Three**

- a) Explain liability insurance and discuss FIVE types of liability insurance covers **(12 marks)**

b) Highlight FOUR differences between life insurance and annuities (4 marks)

c) Explain comprehensive insurance under the motor insurance (2 marks)

**Question Four**

a) With the growth of risk management and the increased emphasis on finding the most appropriate techniques for dealing with risks other methods have been developed. Discuss FIVE alternatives to commercial insurance (10 marks)

b) Discuss the forms of competition within the insurance industry (6 marks)

c) Highlight FOUR challenges faced when marketing insurance (4 marks)

**Question Five**

a) Discuss the factors limiting the insurability of risks (8 marks)

b) Explain four elements of an insurance contract (8 marks)

c) Discuss the expectation gap in a risk pooling arrangement (4 marks)