

1. Attempt question number one (1) and any other two (2).
2. Question number 1 is compulsory and carries 30 marks while the other 2 questions carry 20 marks each. Present all your points in coherent and orderly manner.

1. Mention and explain **five** different types of external risk confronting a business and note your deductions from the risk listed? (30 marks)
2. Individuals react differently to risks and these different reactions influence decision making in investments. Discuss the various ways individuals react to risk. (20 marks)
3. Name **five** of the stakeholders within a business and how are they affected by what goes on within the business? (20 marks)
4. Some sorts of costs are naturally associated with the nature of risks. What are these costs? (20 marks)
5. In some instances, risk uncertainty in business could be affected by risk aversion, discuss. (20 marks)