

NATIONAL OPEN UNIVERSITY OF NIGERIA 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESS WAY, JABI-ABUJA FACULTY OF MANAGEMENT SCIENCES JULY 2017 EXAMINATION

COURSE CODE: ENT 421 CREDIT UNIT: 2

COURSE TITLE: RISK MANAGEMENT

TIME ALLOWED: 2 HOURS

Instructions:

1. Attempt question number one (1) and any other two (2).

- 2. Question number 1 is compulsory and carries 30 marks while the other 2questions carry 20marks 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)