Subject: Risk and Disaster Management   Course Code: MGMT 334
Full Marks: 100   Time: 3:00 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

SECTION A: VERY SHORT ANSWER QUESTIONS (10 X2 = 20 MARKS)

Answer **ALL** questions.

Q1. What is cost of Risk?
Q2. Define risk avoidance.
Q3. Point out the steps for risk financing.
Q4. What is strategic risk?
Q5. Define sensitivity analysis.
Q6. What is currency swap?
Q7. What is disaster?
Q8. Briefly explain anthropogenic hazards.
Q9. Write names of any four national or international organizations that play role on disaster management.
Q10. Define crime.

SECTION B: SHORT ANSWER QUESTIONS (6 X 8 = 48 MARKS)

Answer any **SIX** questions.

Q11. Explain the objectives of risk management.   (8)
Q12. What is operational risk? Explain the causes of operational risks.   (2+6)
Q13. Define project risk. Briefly explain the sources of project risk.   (2+6)
Q14. Differentiate between forward contract and future contract.   (8)
Q15. Point out any eight ways for coping with stress, anxiety and fear.   (8)
Q16. What are the functions and duties of the Central Natural Disaster Relief Committee?   (8)
Q17. Raman & sons co. manufactures and sales a single product which has a variable cost Rs.11 and fixed cost Rs 1,40,000. The company management is having a price review and has reduced the choice to price of either Rs.14 or Rs.15 per value. The company's sale at each price has been estimated as probability distribution as follows.

At Rs.18 per unit   **At Rs.19 per unit**

Sales unit	prob	Sales unit	prob
40,000	0.2	50,000	0.1
35,000	0.1	30,000	0.4
50,000	0.3	25,000	0.2
45,000	0.2	45,000	0.1
60,000	0.2	35,000	0.2

On the basis of expected profit, which sales price should be selected?   (8)

Q18. Write short notes on (**any two**):   (4+4)
a) Derivatives   b) Uncertainty analysis   c) Non-insurance transfer

SECTION C: LONG ANSWER QUESTIONS (2 X 16 = 32 MARKS)

Answer any **TWO** questions.

Q19. What is Risk Management? Explain the process of risk management.   (4+12)
Q20. What is financial risk? Explain the sources of financial risk and tools for financial risk management.   (4+6+6)
Q21. What is credit risk? Explain the types of credit risk. If you are a finance manager of an organization, what methods would you use for credit risk management? Explain.   (4+6+6)

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