



COLLEGE OF BUSINESSES AND ECONOMICS
JOHANNESBURG BUSINESS SCHOOL
DEPARTMENT OF BUSINESS MANAGEMENT
SUPPLEMENTARY ASSESSMENT

SUBJECT: Managing Risk Management
CODE: AC1MARM
DATE: 6 January 2020
TIME ALLOWED: 120 Minutes
TOTAL MARKS: 100

ASSESSORS: Mr A Pampallis
MODERATOR: Mr D Smith
NUMBER OF PAGES: 5

INSTRUCTIONS:

1. This is a closed-book assessment.
 2. Question papers must be handed in together with your answer books.
 3. Read the questions carefully and answer only what is asked.
 4. Answer all the questions:
 - Answer **Section A on the first page** in the answer book.
 - Answer **Section B on the second page** in the answer book
 5. Number your answers clearly.
 6. Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
 7. Structure your answers by using appropriate headings and subheadings.
 8. The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.
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Section A. Multiple Choice Questions

[20]

Answer this section on the first page of your answer book.

1. Today's organisations are not concerned about:

- A. Risk Management
- B. Governance
- C. Employee status
- D. Control
- E. Assurance

2. Risk Management includes all of the following processes except for:

- A. Risk Monitoring and Control
- B. Risk Identification
- C. Risk Avoidance
- D. Risk Response Planning
- E. Risk Management Planning

3. What kind of thinking is required for managing risk?

- A. Rigorous thinking
- B. Forward thinking
- C. Balanced thinking
- D. All of the above
- E. None of the above

4. Which is incorrect, business operations overlaps consists of:

- A. Operations
- B. Marketing
- C. Finance
- D. All of the above
- E. None of the above

5. What is Operations Management;

- A. Manufacturing
- B. Transport
- C. Retaining
- D. All of the above
- E. None of the above

6. Which is not part of the external factors when considering risk management?

- A. Economic factors
- B. Social factors
- C. Competition factors
- D. Political factor
- E. International factors

7. Which is not a critical question to ask for risk management?

- A. What can go wrong?
- B. How to minimise the risk event's impact?
- C. What can be done before the event occurs?
- D. What the competition is doing?
- E. What to do when an event occurs?

8. As part of the ISO 31000 risk management process, 'monitoring and review' is best thought of as which of the following?

- A. An extra stage.
- B. A feedback loop.
- C. Part of risk assessment.

9. Which of the following is incorrect when looking at the competitiveness of operations?

- A. Mission
- B. Time
- C. Flexibility
- D. Quality of service
- E. Price

10. Productivity is:

- A. Measure of process
- B. Only through productivity increases can our standard of living improve
- C. Represents output relative to input
- D. All of the above
- E. None of the above

Section B. True (T) or False (F) Questions**[15]**

Answer this section on the second page of your answer book.

1. Communication is an important function of Operational Risk.
2. The Strategic plan for ERM includes the following strategic initiatives for all areas, mitigation, preparedness, emergency response, resumption and business recovery.
3. Enterprise risk is not a business enabler.
4. It is not important to have a risk register in operational risk.
5. The ISO 31000 Risk model deals with an input-process-output approach to ERM.
6. Operational Risk is important as the underlying principle is to create value for its stakeholders.
7. One of the key elements of Operational Risk is to deal with risks separately for each area/department/division/business unit.
8. When looking at Operational Risk context is important.
9. Risk is caused by uncertainty.
10. Operational Risk enables accountability, transparency and responsibility.
11. One of the 5 P's of operations is planning and control systems.
12. When dealing with risk we also deal with positive risk.
13. Risk Management consists of the following steps, risk identification, risk evaluation, risk control and risk financing.
14. Only cost elements that are considered in ERM are insurance and self-funding costs.
15. In the ISO 31000 process approach, the identification of risks is imperative.

Section C. Short Questions**[25]**

1. List the main stakeholders involved in ERM. (5)
2. Construct a 5x5 matrix used in the ISO3100 model (only the skeleton needs to be provided – outside elements). (5)
3. Draw a diagram showing the ERM, ISO 31000 risk management process. (5)
4. List 5 benefits of ERM. (5)
5. List the five mitigating strategies when analysing and evaluating risks (5)

Section D. Case Study**[40]**

A small cleaning company specialises in providing contract cleaning services for medical providers.

Using the six steps of ISO 31000 process model, discuss these six steps using the above information where necessary.

Using the six steps of the ISO 31000 process model, discuss these six steps using the above information where necessary.

List 10 risks you can identify, evaluate them using the ISO 31000 matrix, then analyse and evaluate them. What risk strategies would you adopt and why? What management processes would you use?

Use the following risk register format over a double page to answer this question.

Risk Identification	Risk Analysis Using matrix	Risk Evaluation (& priority)	Risk Strategy (and why was this chosen)	Management of identified risk
(10)	(5)	(5)	(10)	(10)