



UNIVERSITY OF JOHANNESBURG

JUNE EXAMINATION 2020

COURSE: POLITICAL RISK ANALYSIS

TIME: 5 HOURS

QUESTION PAPER: POLITICAL RISK ANALYSIS

MARKS 100

SUBJECT CODE: POL8X07

EXAMINERS:

1. PROF A.B. CHIKWANHA
2. PROF E. BENYERA (EXTERNAL)

(THIS QUESTION PAPER CONSISTS OF 2 PAGES)

Instructions

This is a five hour open book online test. You will log onto the specified portal on the exam day, write online, and your answers will be automatically submitted at the end of the 5 hours.

1. WRITE YOUR NAME ON EACH EXAM SCRIPT.
2. Answer all the questions in Section A.
3. Choose any 2 questions from Section B.

SECTION A: [Total 50 marks]

1. Define and discuss the following types of Political Risks and illustrate with relevant practical examples. (10 points)

- a. Risk of indirect expropriation
- b. Risk of political power alternation

- c. Risk of external conflict
- d. Risk of political violence
- e. Risk of revolution

2. Explain how the following issues can affect a Political Risk Analysis in any African country of your choice. (10 points)

- a. Religion in politics
- b. Ethnic tensions
- c. Resource nationalism
- d. Law and order
- e. Socio-economic conditions

3. Discuss how regulatory changes in currency Transfer and Conversion affect a business's operations. Illustrate with examples from the African region. (10 points)

4. Critically analyse how political violence can disrupt business operations in an African country. Specify how you would advise on a risk mitigation strategy in that scenario. (10)

5. Discuss the differences between macro risks and micro risks in Political Risk Analysis. (10)

Section B

6. Debate the view by Claude Ake that '...factors that produce instability in one state might not be relevant to other political systems or produce the same type of instability elsewhere (Claude Ake)'. Discuss with reference to conducting PRA in any two countries.

7. Identify and discuss any top 5 top political risks of concern for the next 18 months in Africa.

8. Describe the methods and techniques used to collect data for a Political Risk Analysis exercise. Which methods do you think are more suitable for countries in the SADC region and why?