FACULTY/COLLEGE	College of Business and Economics
SCHOOL	School of Management
DEPARTMENT	Business Management CEP's
CAMPUS	APB
MODULE NAME	Managing Risk Management
MODULE CODE	AC1MARM
SEMESTER	Second
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Supplementary Summative Assessment Opportunity November 2020

ASSESSMENT DATE	23 November 2020	SESSION	08:30 – 10:30
ASSESSOR	Mr. W.H. Otto		
MODERATOR EXTERNAL	Dr. A. Mushai		
DURATION	2 hours (120 min)	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	7

INFORMATION/INSTRUCTIONS:
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- This is a closed-book assessment.
- There are 4 sections within this question paper. **All sections must be answered.** In total, you must answer 4 sections namely **Section A, B, C and D**.
- Read the questions carefully and answer only what is required.
- 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.
- Number your answers clearly.
- Write neatly and legibly. Systematic exposition is a prerequisite.
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to close book assessments (tests) apply to this assessment.
- Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
- **NB. This paper must be handed in with your answer book (inside the answer book).**

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Section A.   Multiple Choice Questions   (10)

Answer the question on the first page of your answer book.

For each of the following questions please answer by selecting the **most appropriate** option from the choices listed below: a) to d)… **e.g. 11. f.**

1.	Today's organisations are not concerned about one of the following options when considering risk (select the **most appropriate** option).	
	a) Risk management. b) Governance. c) Employee status. d) Control. e) Assurance.	**(1)**
2.	Risk management includes all of the following processes except:	
	a) Risk Monitoring and Control. b) Risk identification c) Risk Avoidance. d) Risk Response Planning. e) Risk Management Planning.	**(1)**
3.	What type of thinking is required for managing risk?	
	a) Rigorous thinking. b) Forward thinking. c) Balanced thinking. d) All of the above. e) Only a and b is required.	**(1)**

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4.	Defective electrical wiring that may result in a fire in an example of a:	
	a) Pure risk. b) Non-diversifiable risk. c) Speculative risk. d) Physical risk. e) Systematic risk.	**(1)**
5.	The different risks can be categorised into:	
	a) End-economic risks. b) Financial risks. c) Pure risks. d) All of the above. e) None of the above.	**(1)**
6.	Which of the below options is not part of the external environmental factors when considering risk management?	
	a) Economic factors. b) Social cultural factors. c) Competition factors. d) Political factors. e) International factors.	**(1)**
7.	Which of the below options 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 to do when an event occurs? e) What are the competitors doing	**(1)**

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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) Part of risk assessment. c) Risk avoidance. d) A feedback channel.	**(1)**
9.	An organisation main stakeholders are except for (select the **most appropriate** option).	
	a) Customers. b) Shareholders. c) Media. d) Employees. e) Government.	**(1)**
10.	The following are just some of the reasons why organisations should be concerned about risk management (select the **most appropriate** option).	
	a) Risk management allows for intelligent 'informed' risk taking. b) Risk management is proactive. c) Risk management progresses outcomes. d) No need for a common approach to risk across the organisation. e) Focusses efforts in helping to prioritise.	**(1)**

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Section B.   True or False Questions   (15)

Answer the question on the second page of your answer book.

1.	In the ISO 31000 process approach, the identification of risk is imperative.
2.	Cost elements considered in ERM is not only subjected to insurance and self-funding.
3.	Pure risk consists of the following steps, risk identification, risk evaluation, risk control and risk financing.
4.	When dealing with risk we also deal with positive risk.
5.	A hazard related to the environment surrounding the cause of loss.
6.	A peril is not the cause of loss or a loss event.
7.	No risk is equal to a measure of objective attainment.
8.	When considering ERM context is not important.
9.	One of the instrumental elements of ERM is to cope with risks separately for each business unit/department/area and/or division.
10.	ERM is important as the underlying principle is to create value for the organisations stakeholders.
11.	The ISO 31000 Risk model deals with an input-process-output approach approach to ERM.
12.	As part of Risk Identification it is not important to have a risk register in place.
13.	Enterprise risk is a business enabler.
14.	The strategic plan of ERM includes the following strategic initiatives for all areas namely, mitigation, preparedness, emergency response, business recovery and resumption.
15.	Communication is not an important function of ERM.

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Section C.   Short questions   **(25)**

1. Draw a diagram illustrating the ERM, ISO 31000 processing model   (5)

2. List the five mitigating strategies when analysing and evaluating risk.   (5)

3. List five benefits of ERM.   (5)

4. List the main stakeholders involved in ERM.   (5)

5. What are the main elements of a 5x5 Risk Matrix according to ISO 31000?
Show this in a diagram (only the skeleton to be provided- outside elements).   (5)

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Section D.   Case study   (50)

O' So clean is a SME specialising in providing contract cleaning services for medical and health professionals.

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

[TOTAL = 100]