



**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2014/2015**

COURSE NAME : RISK MANAGEMENT  
COURSE CODE : BPF 32403  
PROGRAMME : 3 BPD  
EXAMINATION DATE : JUNE /JULY 2015  
DURATION : 2 HOURS AND 30 MINUTES  
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF **THREE (3)** PAGES

**Q1** Risk management is a structured and disciplined approach that aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties a real estate development organisation faces as it creates value. (DeLoach, 2000).

Based on the above statement:

- (a) Define risk and uncertainty. (5 marks)
- (b) Analyse the above to reflect the fundamental ideas on risk management in real estate development. (20 marks)

**Q2** Risk control is one of investment management strategy to ensure that all involved in a project have the talents, resources and systems place to optimise their chances of success.

Based on the above statement:

- (a) Define risk control. (5 marks)
- (b) Discuss the hierarchy of risk control. (10 marks)
- (c) Discuss the importance of risk control strategy to be adopted in real estate agency companies. (10 marks)

**Q3** Banks are unfazed by the goods and services tax (GST) dampening consumer and business sentiment, as the situation is temporary. However, some analyst feel the GST would impact loan and fee income growth. This would put a strain on existing challenges faced by the banking sector like margin contraction and higher credit cost .  
(The Star, 2015).

Based on the above statement;

- (a) List **FOUR (4)** possible financing risk identified in banking sector. (5 marks)
- (b) List **THREE (3)** risk retention techniques in managing the financing risk. (3 marks)
- (c) Outline **SIX (6)** measures to be adopted by banking sector in managing the cost of financing risk to minimize the loss-retention capacity especially in the current GST application in Malaysia. (18 marks)

- Q4**
- (b) Discuss the benefits of an effective risk management system in property development companies. (10 marks)
  - (b) Explain the importance of insurance as one of the approach to reduce risk in real estate. (15 marks)

**-END OF QUESTION-**