



**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2016/2017**

COURSE NAME : RISK MANAGEMENT  
COURSE CODE : BPF 32403  
PROGRAMME : BPD  
EXAMINATION DATE : JUNE 2017  
DURATION : 3 HOURS  
INSTRUCTION : ANSWER ALL QUESTIONS

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

- Q1** A risk exists when a decision is expressed in terms of a range of possible outcomes and when known probabilities can be attained to the outcomes.
- (a) Explain **TWO (2)** benefits of risk management in property development companies.  
(10 marks)
- (b) Discuss how project managers can allocate risks to minimise costs, promote project goals, and to align stakeholders with their intended needs and objectives in property development projects.  
(15 marks)
- Q2** Enterprise Risk Management (ERM) is the process of planning, organising, leading, and controlling the activities of an organisation in order to minimise the effects of risk on an organisation's capital and earnings.
- (a) A property development project has a 60% chance of a RM500,000 profit and a 40 percent chance of a RM500,000 loss.  
Calculate the Expected Monetary Value (EMV) for the project.  
(10 marks)
- (b) Discuss the manner in which the main components of ERM can be strategised in an organisation to achieve its aim of attaining business sustainability.  
(15 markah)
- Q3** The aim of risk management is to identify and quantify all risks to which a business or project is exposed so that a conscious decision can be taken on how to manage the risks.
- (a) Explain with examples the meaning of Pure Risks and Speculative Risks.  
(10 marks)
- (b) Outline **THREE (3)** strategies in Risk Response Planning used for defining enhancement steps for opportunities and responses to risks.  
(15 markah)

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- Q4** Risk control is a technique that utilises findings from risk assessments (identifying potential risk factors in a firm's operations that may impact the well-being of the firm), and implementing changes to reduce risk in these areas.
- (a) Explain **TWO (2)** significance of risk control. (10 marks)
- (b) Discuss **THREE (3)** elements of the hierarchy of risk controls that are used to mitigate the potential risks posed by a hazard. (15 marks)

**-END OF QUESTIONS-**

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