

Exam Question preparation guide

A. Sample Exam Question

Business Case Scenario

(Questions for the Case Study below. Answers to be written in further detail in your answer booklet. Ensure that your handwriting is clear.)

1. Consider business to identify and determine what potential risk events may occur from their business and industry context. (Hint: Information is contained within the Business background and industry context passages especially the underlined sentences). **You need to develop at least 2 risk events based on any 5 business areas listed below.** Ensure that you clearly identify reasons for the consequence and likelihood ratings of each event. **Use Table 1 headings as a guide. (10 Marks)**

Apply Table 1: Risk Event and Treatment Strategy

BUSINESS AREA (BA)	KEY	BUSINESS AREA (BA)	KEY
Financial	(F)	Occupational Health & Safety	(OHS)
Commercial/Legal/ Political	(CLP)	Operations / Environment	(OPS)
Management	(MGT)	Sales/Marketing	(SM)
Human Resource	(HR)	Information Technology	(IT)

2. Develop a risk register inclusive of risk treatment: options, scenarios, strategies, and a Risk Management plan to minimise or mitigate the risks. (Hint: **Create a risk register per table 2 using the suggested headings** outlining risk scores and categories for consequences and likelihood, prioritising risk events, treatment strategies, risk ownership, and possible secondary/residual risk). **(10 Marks)**

3. **Provide short answers** (maximum 1 A4 page in paragraphs) to advise Senior Management on Enterprise Risk Management (ERM) strategies, Risk Principles and Framework which this businessmanagement needs to apply. (Hint: Draw upon knowledge gained from MN220 Risk management to critically analyse and to provide reasons for these risk events. **(10 Marks)**

TABLE 1: RISK EVENT AND TREATMENT STRATEGY

Used headings and example below as a guide for Question 1. (Expand any further detail in your answer booklet.)

BUSINESS AREA (Use Business Area (BA) Key in Question 1 to Identify)	RISK EVENT (Provide detailed description of event)	CONSEQUENCES (Provide detailed reasons of consequences if risk event occurs)	LIKELIHOOD (Provide detailed business reasons/assumptions of likelihood of event occurring)	MITIGATION/ IMPROVEMENT STRATEGY (Provide at least 2 detailed strategies to mitigate risk event)
CLP (Commercial, Legal & Political) (Example)	Volatility business operating costs due to changes in local laws and environment	Increased product pricing to customer that may cause loss of business and hence lower profits.	Business Reasons: Business volatility will certainly increase operation costs and higher service prices Assumptions: There has to be greater business compliance to changes in local laws, eruption of wars etc.	<ol style="list-style-type: none"> 1. Ensure that local practices are adopted swiftly to reduce any waste 2. Ensure that process improvements to reduce business inefficiencies are done regularly to save costs. 3. Have Business Continuity Planning (BCP) in the event of political instability or other environment volatility

TABLE 2: Used headings below as a guide to develop Risk Register in Question 2. (Expand any further detail in your answer booklet.)

- Business Area (F, CLP, MGT, HR, OHS,OPS,SM and IT)
- Risk Event (Summary of description from table 1 above)
- Risk Consequent Rating (use Scores :VERY HIGH, HIGH, MEDIUM, LOW, (1-4) for increased consequence, VH(4), H (3), M(2), L(1))
- Risk Likelihood Rating (use Scores : VERY HIGH, HIGH, MEDIUM, LOW, 5-8 for increased likelihood VH(8), H (7), M(6), L(5))
- Final Score (Consequence multiplied by Likelihood)
- Ranking (Risk Rank from no. 1-10 based on your Score. The greater the risk the higher the score)
- Risk Tolerance (Is it Tolerable- Y/N and reason why after applying mitigation/improvement suggested like above in table 1)

Business Area	Risk Event	Risk Consequent Rating	Risk Likelihood Rating	Final Score	Ranking	Risk Tolerance
(Example) CLP (Commercial, Legal & Political)	Volatility business operating costs due to changes in local laws and environment	VH (4)	H (7)	28	1	Y- After mitigation per table 1 items No: 1 to 3 risks can be tolerated

B. Sample 1 page exam answer sheet (This sample is ONLY for your Mock Exam paper)

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