



ICM

JUNE 2016

RISK MANAGEMENT

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
-
1. A number of key risk response strategies have been established. Analyse EACH of these, giving examples to support your answer. [20]
 2. Scenario Analysis is widely accepted as a useful technique to support better understanding of both internal and external risks. Analyse the process of Scenario Analysis, explaining how it supports the understanding of risk. [20]
 3. Analyse the term **operational risk** and explain how excellent operational risk management supports organisational success. [20]
 4. The effective balancing of potential opportunities and risks is a characteristic of many successful companies. Explain how an organisation can ensure that it is taking the right amount of risk. [20]
 5. There has been much debate about how often top risks should be reviewed by a Board of Directors. Analyse the arguments that have been put forward with regard to the frequency of risks reviews. [20]
 6. Review the sources of financial risk to an organisation and explain the benefits of financial risk management. [20]
 7. It is widely recognised that political risks can have a significant influence on organisations. Analyse the main political risks. [20]
 8. Explain why it is seen to be important to monitor and control activities associated with the risk management process. [20]