



ICM

MARCH 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 []
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1. Determining the risk appetite for an organisation is a key decision for a board of directors.
 - a) Explain the concept of risk appetite, supporting your answer with examples. [12]
 - b) Set out and explain FOUR key questions that could be asked in a checklist of an organisation's willingness to take on a risk. [8]
 2. Critically evaluate the potential benefits of a risk database to an organisation. [20]
 3. Explain and evaluate EACH of the commonly recognised stages in the core risk management process. [20]
 4. The Business Risk Breakdown Structure (BRBS) concept has attracted increasing interest in the management of risk. Explain what a **BRBS** is and analyse how an organisation might benefit from using it. [20]
 5. Analyse the potential benefits to an organisation of legal risk management, supporting your answer with examples. [20]
 6. Set out the process you would follow in implementing a process of risk identification. [20]
 7. Define and discuss the benefits likely to arise from excellent operational risk management. [20]
 8. Evaluate the importance and contribution of both SWOT analysis and PEST analysis in assessing the risk profile of an organisation. [20]