

Diploma in Risk Management

Chapter 1.2

Assignment 2

1. Why is it important to understand the internal and external contexts of an organisation with reference to risk management? (10 Marks)
2. Risk tolerance is defined as '*...an organisation's readiness to bear the risk, after treatments in order to achieve its objectives*'. How would you establish risk tolerance for an organisation and will define its risk tolerance levels? (10 Marks)
3. Culture is defined as "the way we work around here". It is the collective way of doing things, through accepted behaviours and processes. Why risk management culture is important for a risk management framework? Discuss the main drivers of culture. (10 Marks)
4. ABC Limited is a construction company. Why and how ABC Limited should identify its risks? (10 Marks)
5. The Directors of ABC Limited identified organisations' risks in a risk identification workshop. How would you analyse and evaluate those risks? (10 Marks)
6. List and explain key risk treatment options. (10 Marks)
7. How would you communicate and report risk information to internal stakeholders? (10 Marks)
8. Why is regular review of risk management process necessary? (10 Marks)