

**ASSESSMENT # 3**

**Total Marks: 30**

1. Short Questions: (14)
  - I. What are the principles of assessing risk?
  - II. What is the importance of risk assessment?
  - III. Which activities take place in risk assessment process?
  - IV. What is meant by 'risk appetite'?
  - V. Outline the activities that take place in risk management process.
  - VI. What is influence diagram technique? How it is used for decision analysis?
  
2. Discuss the following inputs of the risk assessment process: (8)
  - a) Risk register
  - b) Profit & loss account
  - c) Balance sheet
  
3. Write short notes on the followings: (8)
  - a) Risk reduction
  - b) Risk transfer