

PGDM-IBM, 2018-20
 Sub.: Advanced Risk Management (Elective)
 Paper Code: INS-404-B
 Trimester-IV, End Term Examinations: September-2019

Time Allowed : 2½ hrs.

Roll No.: _____

Marks: 50

Instruction: Students are required to write Roll No. on every page of the question paper. Writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. Of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices and CILO (Course Intended Learning Outcome) covered Or Maximum 6 questions with internal choices and CILO covered (as an example)	3*10 6*5	30
B	Compulsory Case Study with minimum of 2 questions	20	20
			50

Section-A

A1. In order to measure the operational risk , the financial institution needs to adopt a structured Approach. Discuss the Operational risk Faced by the banks with their definition, Description and example. (CILO1)

Or

A1. Discourse the principal (PACED) and (STOC) in relation to core prospects of the organization and impact on mission of the organization

A2. The delivery of the Olympic games in London in 2012 required the biggest construction project undertaken in London during the second half of the first decade of 2000s. Create a risk matrix and Bow ties to plot the possible range of risks on the Project. (CILO2)

Or

A2. You are the newly appointed Risk Manager for DYS plc. DYS plc is a luxury hotel chain with ten hotels in one country. Each hotel has a fine dining restaurant. DYS plc are considering purchasing a hotel in an emerging market country in which they are not operating at present.

You have reviewed DYS plc's current risk register and found it to be outdated, in particular there is no indication of which risks are the most significant. Discourse the various risk face by DYS plc with 8Rs 4Ts of hazard risk management

A3. You are the Risk Manager for a service company which has a contract with a town council. The service company delivers the following for the town council: (CILO3)

- a. Road and roadside maintenance.
- b. Refuse collection.
- c. The maintenance of public places, such as parks, sports facilities and play areas.
- d. The supplying of food for local schools.

Prepare a Business Continuity plan as per guidelines of ISO 22301

Or

A3. Smith's Cleaners provide commercial cleaning services to businesses, and employ 20 part-time cleaners. Two of the cleaners do not speak English as their first language. They recently won a contract to clean two floors of an office complex in a city centre, Monday to Friday. Three cleaners, working every day from 5.00 pm to 7.00 pm, clean the offices, the kitchen and toilet areas, and machine clean the hard floors in reception. The company sometimes use temporary workers from an agency to cover staff absences. The offices have 24-hour security cover. The contracts manager did the risk assessment. Discuss the Two Risk Identification Method that can be used by Risk Manager explaining the Strength and weakness.

Section-B

Case Study Compulsory:-

Case-1: You are a risk manager of TBZ plc, a multi-national financial services company. TBZ plc has recently purchased a long-established call centre facility in Asia. TBZ plc has a robust risk management process in place for its current locations. You have established that the recently purchased call centre has a weaker risk management process than TBZ plc. You have found the following issues regarding the recently purchased call centre: • The information gathering systems are inefficient. • The information is stored in paper format. • The reviews of data auditing are not conducted on a regular basis. • There is little identification and evaluation of external factors which would impact on the level of risk. • The risks are not ranked in the risk register in order of severity. (10)

- (a) Explain, with justification, four significant information challenges facing TBZ plc, following the purchase of the call centre.
- (b) Explain, with justification, three actions you would take to improve the risk information gathering process for the call centre.
- (c) Identify with justification, three information reliability issues that TBZ plc may face when taking the three actions you have explained in (b) above.

Case-2: You are the Risk Manager for a small UK-based IT company which was independently owned. The IT company has just been bought by TJ Holdings, a large Japanese manufacturer of consumer electronic products. The Head of Risk for TJ Holdings has arranged a meeting with you to discuss risk categorisation.

- (a) Describe, with justification, one significant potential problem relating to the categorisation of risk between the IT company and TJ Holdings. (5)
- (b) Describe, with justification, one method to mitigate the potential problem you have described in (a) above. (5)