POLITEKNIK
Jabatan Pengajian Politeknik

EXAMINATION AND EVALUATION DIVISION
DEPARTMENT OF POLYTECHNIC EDUCATION
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION
DECEMBER 2011 SESSION

P5312 : RISK MANAGEMENT

DATE : 26.04.2012 (THURSDAY)
DURATION : 2 HOURS (08:30AM – 10:30AM)

This paper consists of FIVE **(5)** pages including the front page.
Section A: Essay (6 questions – answer 4)

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STRUCTURES / ESSAY (100 marks)

Instruction: This section consists of **six (6)** structures questions. Answer only **four (4)** questions.

QUESTION 1

(a) Discuss the risk management process.

(12 marks)

(b) Explain the reasons for the failure to implement risk management in an organisation.

(8 marks)

(c) Briefly explain the use of ISO standards as a risk management tool.

(5 marks)

QUESTION 2

(a) Briefly explain the followings:-

i. vicarious liability
ii. personal protection equipment (PPE)
iii. flashover
iv. OSHA

(10 marks)

(b) Factory workers have complained about deafness and body pains after years of working at their organisation. What are the causes of these problems and suggest preventive measures to overcome these problems.

(15 marks)

QUESTION 3

(a)   ResQ Berhad, a building contractor, has outsource many of its building repairs jobs to different contractors. Before these, it has purchase insurances to cover the liability that may arise. Due to the rising cost of insurance, the management is looking at alternatives ways to manage these risks. Give suggestions to the management on how to transfer the risk using non-insurance means?

(10 marks)

(b)   What insurance coverage can be obtained for the following risks?

     i.   product causing damages, injury or losses to the users

     ii.   employees causing harms to fellow employees

     iii.   visitors who were injured while at the business premises

     iv.   cashier committing criminal breach of trust

(8 marks)

(c)   What are the factors that can limit the effectiveness of self-insurance programme?

(7 marks)

QUESTION 4

The following table gives the accident reports of 2 branches of the Raksasa Berhad retail group. Each branch has a fleet of 50 vehicles.

Branch	Accident Free	Accident
Ampang	42	8
Shah Alam	35	15

(a)   Find the following probabilities:

    i.   That a vehicle from Ampang branch was involved in an accident;

(2 marks)

    ii.   That two vehicles from Ampang branch were involved in accident;

(2 marks)

    iii.   That a vehicle from Shah Alam branch was involved in accident;

(2 marks)

    iv.   That two vehicles, one each from both branches were involved in accident.

(2 marks)

(b)   Explain **THREE (3)** ways to reduce the number of accidents during festive seasons.

(6 marks)

(c)   Draw a flow chart of a student who returns some books and then borrows some books at the PSA library. Identify **TWO (2)** problems that may arise from the process

(5 marks)

(d)   Briefly explain the following:-

    i.   physical inspection method

    ii.   HAACP

(6 marks)

QUESTION 5

(a)   Jayadiri Halal Products Berhad wishes to invest in a factory producing halal foodstuff in Jakarta, Indonesia. Advise them on them on their investment plan.

(16 marks)

(b)   What are the benefits of an organisation having a contingency/disaster planning?

(9 marks)

QUESTION 6

(a)   Insurance is one of the method of transferring risk to third party. What are the criticism against insurance as a risk management tool?

(10 marks)

(b)   In the past years, there are frequent reports of consumer products which have caused harms and losses to the users. Give TWO examples of these incidents.

(5 marks)

(c)   Discuss the nature of the A, B, C, E, K classes of fire and how they are being extinguished.

(10 marks)