

CS/BIRM/SEM-6/BIRM-603/2011

2011

**PROJECT & OPERATIONAL RISK
MANAGEMENT**

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for the following : $10 \times 1 = 10$

i) is an example of market risk.

a) Ethics b) Competition

c) Regulatory obligation d) Theft.

ii) The external risk in a business environment are

a) competitors b) suppliers

c) both (a) and (b) d) none of these.

iii) In case of a project management the important points are

a) project integration management

b) project time management

c) both (a) and (b)

d) none of these.

iv) cause loss.

a) Perils b) Hazards

c) Risks d) Liabilities.

v) Negligence is an example risk.

a) technology oriented b) process oriented

c) people oriented d) external.

vi) Advance measurement approach is basically concerned with

- a) operational risk management
- b) market risk management
- c) credit risk management
- d) none of these.

vii) Misappropriation of assets, tax evasion are some of the

- a) operational loss b) BASEL II event
- c) pure risk d) none of these.

viii) Which of the following is considered as mother of operational risk management ?

- a) Chartered Insurance Institute
- b) BASEL
- c) Lloyds
- d) IRDA.

ix) Operational risk would be a determinant of

- a) minimum capital requirements
- b) maximum capital requirements
- c) working capital requirements
- d) all of these.

x) What is AMA ?

- a) Advance Management Approach
- b) Advance Measurement Approach
- c) Advance Management Association
- d) None of these.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. Write down the nature of Operational Risk.
3. Mention the role of Supervisor in Operational Risk Management.

4. State the objectives of Project Risk Management.
5. State the areas where project risk may arise. Give examples.
6. Why is disclosure requirement important in Operational Risk Management ?

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. Briefly explain the risk handling strategies. Describe the importance of strategy, selection in construction projects.

6 + 9

8. Describe elaborately the different phases of Project Risk Management with a special emphasis on project monitoring and controlling phase.
9. Explain the prerequisites of risk response. Discuss the various options of project risk response. 7 + 8
10. Explain the different stages of operational risk management. Describe briefly the risk control measures. 12 + 3
11. Briefly describe the regulatory issues of operational risk management. State the relationship between insurance and operational risk management. 7 + 8