


CPD Risky Business – Risk Management Quiz MARKING GUIDE

CPD 2021 – 2022 Compulsory Training Written Knowledge Quiz

DETAILS	
Topic	Risky Business
Delivery Mode	Face-2-Face – Blended for CPD training

PARTICIPANT DETAILS	
Participant Name:	
License #	
Address	
Phone   Email	

RECORD OF ASSESSMENT FOR CPD – FOR **TRAINER** USE ONLY

<b>Risk Management Quiz</b>  <b>S</b> Completed assessment Satisfactorily  <b>NS</b> Not Satisfactory (Participant has been unable to demonstrate sufficient knowledge)	S <input checked="" type="checkbox"/> Satisfactory	NS <input type="checkbox"/> Not Satisfactory
<b>Trainer Feedback</b> This quiz was completed successfully and participant demonstrates sufficient knowledge and skills of topic	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<b><i>I the trainer declare</i></b> that I have conducted a fair and valid assessment of the quiz and provided appropriate feedback Evelyn Olivares      Signature →		
Date		
<b><i>I the participant declare</i></b> <u>The attached quiz is my own work</u> Signature →		
Date		

## **Risky Business CPD Quiz - Business - for Class 1 Agent LIC**

### **Short Quiz**

1. Give some examples of legislative and regulatory requirements that must be taken into account to undertake risk management processes.

Examples of legislative and regulatory requirements may include:

- legislation dealing with
  - disasters, emergencies
  - occupational health and safety
  - the environment
  - equal employment opportunity
  - privacy
- local government requirements dealing with
  - land use planning
  - building and planning permits
  - business permits
  - community interaction
  - noise limits
  - traffic management
  - use of community facilities and event permits
- safety standards
- operating procedures
- emergency procedures
- management procedures

2. Define the term 'stakeholders'.

Stakeholders are defined as the people and organisations who may affect, be affected by, or perceive themselves to be affected by a decision, activity or risk.

3. List the key drivers of PESTLE analysis.

The key drivers of PESTLE analysis are:

1. Political
  - Government stability
  - Freedom of speech, corruption, party in control
  - Regulation trends
  - Tax policy, and trade controls
  - Likely changes to the political environment
2. Economic
  - Stage of business cycle
  - Current and projected economic growth
  - Job growth
  - Inflation and interest rates.
  - Unemployment and labour supply.
  - Levels of disposable income across economy and income distribution.
  - Globalization.
  - Likely changes to the economic environment

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### 3. Social

- Population growth and demographics.
- Health, education and social mobility of the population
- Consumer attitudes
- Advertising and media
- National and regional culture
- Lifestyle choices and attitudes to these.
- Levels of health and education

### 4. Technological

- Impact of new technologies.
- Inventions and innovations
- The internet and how it affects working and business
- Licensing and patents
- Research funding and Development

### 5. Legal

- Home legislation
- International legislation
- Employment law
- New laws
- Regulatory bodies

### 6. Environmental

- Ecology
- International environmental issues
- National environmental issues
- Local environmental issues
- Environmental regulations
- Organizational culture
- Staff morale and attitudes

4. Give at least 3 examples below of specific situations where risk communication proves very useful?

Risk communication is useful in the following situations:

- explaining the chance of a risk impact (probability)
- outlining the difference between risk
- dealing with any long-term effects from the risk and risk management;
- improving the overall understanding of risk based terminology and concepts;
- creating a venue where uncertainties can be addressed and questions answered;

5. Identify the correct answer... which of the following comments are *correct* about retrospective risks?

- They have occurred previously
- Most common and easiest way to identify risks
- Has many sources of information
- All of the above

6. Identify the correct answer... which of the following comments are *incorrect* about retrospective risks?

- Things that have not happened yet but may occur in future
- Easier to identify
- Only important risks that have currently happened must be identified

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d. Both b and c

7. Match the column

1. Delphi Technique 1 – B	A. The checklist of risk categories is used to come up with additional risks for the project.
2. Root Cause Analysis 2 – D	B. Consulting a team of experts anonymously.
3. Document Reviews 3 – E	C. Demonstrating several scenarios to show possible future outcomes.
4. Checklist Analysis 4 – A	D. Root causes are determined for the identified risks.
5. Scenario Analysis 5 – C	E. Reviewing the process related documents such as lessons learnt, organizational process assets etc to identify risks.

8. Name two sources to establish the risk management standards.

- Government-established regulations
- Industry benchmarks

9. Match the columns

1. Moderate 1 = D	A. A risk that is very intense
2. Severe 2 = A	B. A risk that is able to cause great distress and damage
3. Minimal 3 = C	C. Any risk which is the smallest in amount or degree
4. Disastrous 4 = B	D. A risk which is within reasonable limits; not excessive or extreme

10. Match the following risk category with its appropriate management plan based on the risk evaluation grid.

Risk Category	How to Manage
1 – Low impact/Low probability 1-(b)	(a) Must be your top priority and must pay a close attention to these risks.
2 – Low impact/High probability 2-(d)	(b) Ignore these risks.
3 – High impact/Low probability 3-(c)	(c) Have contingency plans in place to try to reduce their impact.
4 – High impact/High probability 4-(a)	(d) Reduce the likelihood of their occurrence. In case they do occur, then cope with them and move on.

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11. What are the four factors you must consider when evaluating risk?

When evaluating a risk the following four factors must be considered:

- the importance of the activity to your business
- the amount of control you have over the risk
- potential losses to your business
- any benefits or opportunities presented by the risk

12. What are two important components in determining the level of risk?

- Likelihood of occurrence
- Impact/Consequences