



BSBPMG536

ASSESSOR GUIDE

Manage project risk

Assessment 1 of 3

Short answer questions

Assessment Instructions

Task overview

This assessment task consists of nine [9] short answer questions. Read each question carefully before typing your response in the space provided.

Additional resources and supporting documents

To complete this assessment, you will need:

- Access to your learning materials
- Access to a computer and internet
- Access to Microsoft Word (or a similar program)

Assessment Information

Submission

You are entitled to three [3] attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- the processes for conducting the assessment (e.g. allowing additional time)
- the evidence gathering techniques (e.g. oral rather than written questioning, use of a scribe, modifications to equipment)

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

Short Answer Questions

Question 1

Explain the cause of the following project risks in each of the following risk categories:

- a) Scope creep
- b) Scheduling risk
- c) Resource risk
- d) Technology risk

[Approximate word count: 50-100 words]

Assessor instructions: Students must identify the causes of project risks in each category.

Student responses may include the following examples or similar.

- a) **Scope creep**
Scope creep occurs when the initial objectives are not clear, change or are misunderstood
- b) **Schedule risk**
Schedule risks occur when tasks take longer than planned. This means that estimated durations, dependencies and assumptions are not accurate.
- c) **Resource risk**
Resource risks occur when insufficient resources such as time, finances or skilled workers are available to achieve the goal.
- d) **Technology risk**
Technology includes cyber security issues, computer failures, hardware or software failures, changes in technology

Question 2

Describe three (3) tools or techniques used to identify risks as part of a risk assessment process.

[Approximate word count: 50-100 words]

Assessor instructions: The student must describe three techniques used in risk management

Student responses may include the following examples or similar.

1. **Brainstorming**—The goal of brainstorming is to assemble a list of project risks. The project team usually performs brainstorming, where ideas about project risk are generated under the leadership of a facilitator.
2. **Interviewing**—The goal of interviewing is to gather information from experienced project participants, stakeholders and subject matter experts that may help to spot risks.
3. **Root cause analysis**—Root-cause analysis is a specific technique used to identify a problem, discover the underlying causes that cause it and develop preventive action.
4. **Checklist Analysis** - Risk identification checklists are developed based on historical information and knowledge accumulated from similar projects and other sources of information.

Question 3

What is a SWOT analysis, and how does it apply to managing project risks?

[Approximate word count: 50-100 words]

Assessor instructions: Students must explain the SWOT technique and how it applies to project risk management.

Student responses may reflect the following example or similar.

A SWOT analysis is a tool project managers use to assess a project's strengths, weaknesses, opportunities, and threats. This information is then used to create a plan of action to help the project succeed. Strengths and weaknesses are internal factors that the project manager can control. Opportunities and threats are external factors that the project manager cannot control. A SWOT analysis can be used at any stage of a project. It can help the project manager identify problems early on and make necessary changes. It can also help assess whether a project is likely to be successful.

Question 4

What is a PESTLE analysis, and how does it help to identify project risk?

[Approximate word count: 50-100 words]

Assessor instructions: Students must explain PESTLE and how it applies to project risk management.

Student responses may reflect the following example or similar.

A PESTLE analysis is a helpful tool used to examine external factors out of a business's control that might impact an organisation in achieving its project objectives. For example,

- Political – political impact on a project, such as changes to government, legislation, global influences
- Economic – economic impact such as economic growth or downturn, employment rates, monetary policy, consumer confidence
- Social – including income distribution, demographic and lifestyle factors
- Technology – such as changes to information technology and take-up rates
- Legal – including taxation, employment, industry regulations and health and safety
- Environment – such as regulations, restrictions and attitudes of customers.

Question 5

List the key components of a risk management plan

[Approximate word count: 20-50 words]

Assessor instructions: Students must identify the key components of a risk management plan

Student responses must match/reflect the sample given.

A risk management plan includes the following components:

- Identification of risks
- Assessment of risks
- Risk mitigation actions
- Assignment of roles and responsibilities
- Categories of risk or risk breakdown structure

Question 6

Explain the strategies that can be put in place to control negative project risks or threats.

[Approximate word count: 100-200 words]

Assessor instructions: Students must identify project risk controls

The response must match the four controls; however, the wording of explanations can vary and may include the following examples or similar.

- **Avoid** – involves reducing the probability of the risk or its impact to zero, enabling the risk to be removed entirely.
- **Transfer** – involves transferring the risk to a third party. This strategy does not eliminate the risk; it transfers the liability to another person. For example, having insurance (the insurance firm is now liable) or having the work done under a fixed-price contract (the contractor is now liable).
- **Mitigate** – involves taking early action to address the probability of a risk occurring. This process is implemented when addressing the risk more effectively than repairing the damage after it has occurred.
- **Accept** – involves accepting that a risk is apparent and determining a contingency to handle the risk. This contingency may include time and money. Acceptance of risk is typically chosen because the risk is low in impact or probability, or the cost and effort of taking the necessary action are out of proportion to the risk itself.

Question 7

- a) Review the ISO 31000:2018 [Risk management – Guidelines](#), 5 Framework. In your own words, provide a summary of the framework
(Approximate word count: 100-200 words)

Assessor instructions: Students must demonstrate knowledge of the industry standard risk framework of risk management guidelines.

Student responses must list the six components of the framework and provide a summary of each in their own words that include the following examples or similar.

- a)
- Leadership and commitment** – ensure risk management is integrated into organisational activities and demonstrate commitment by implementing a framework, establishing a risk management plan, allocating resources to manage risk and assigning authority, responsibility and accountability within the organisation.
- Integration** – customise to organisational needs and culture. Risk management should be a part of the organisational purpose, governance, leadership and commitment, strategy, objectives and operations.
- Design** – when designing the framework for managing risk, consider the organisation's external and internal context, ensure accountabilities are assigned and communicated, ensure allocation of resources for risk management (considering the capabilities of, and constraints on, existing resources), and establish a communication approach to facilitate effective application of risk management.
- Implementation** – develop an appropriate plan, identify how decisions are made, ensure risk management arrangements are clearly understood and practised and that changes in external and internal contexts are adequately captured.
- Evaluation** – periodically measure risk management performance against its purpose, implementation plans, indicators and expected behaviour to determine if it remains suitable to support achieving organisational objectives.
- Improvement** – continually monitor and adapt the risk management framework to address external and internal changes. Continually improve risk management's suitability, adequacy and effectiveness and how the process is integrated.

- b) Review the ISO 3100:2018 Risk management – Guidelines, Process. Then, in your own words, explain the risk management process and how this applies to project management.
[Approximate word count: 50-100 words]

Assessor instructions: Students must demonstrate knowledge of the risk management process and its application to project management.

Student responses may reflect the following example or similar.

b)
The risk management process involves systematically applying policies, procedures and practices to communicating and consulting, establishing the context and assessing, treating, monitoring, reviewing, recording and reporting risk.

Student responses must cover the following with an explanation:

- Communication and consultation
- Scope, context and criteria
- Risk assessment
- Risk analysis
- Risk evaluation
- Risk treatment
- Monitoring and review
- Recording and reporting

Reference: <https://www.iso.org/obp/ui/#iso:std:iso:31000:ed-2:v1:en>

Question 8

List three ways to monitor and control project risks.

[Approximate word count: 5-10 words]

Assessor instructions: Students must demonstrate knowledge of monitoring and controlling project risks.

Student responses may include any three of the following examples.

- Risk reassessment
- Audits
- Performance measurement
- Variance and trends analysis
- Reserve analysis

Question 9

Describe the characteristics, techniques and appropriate applications of:

- a) Quantitative risk analysis
- b) Qualitative risk analysis

[Approximate word count: 150-200 words]

Assessor instructions: Students must demonstrate knowledge of quantitative and qualitative risk management techniques and approaches.

Student responses may include the following examples or similar.

a) **Quantitative:** Highest priority risks are further analysed and assigned a numerical or quantitative rating to develop an analysis based on probability and likelihood. A quantitative analysis:

- Possible outcomes for the project are quantified and assessed on the probability of achieving specific project objectives.
- A quantitative approach to making decisions is provided when there is uncertainty.
- Realistic and achievable cost, schedule or scope targets are created.

Quantitative risk analysis requires high-quality data, a well-developed project model and prioritised lists of project risks [usually from a qualitative risk analysis]

b) **Qualitative:** Identified project risks are prioritised using a pre-defined rating scale. Risks are rated on their probability or likelihood of occurring and their impact on project objectives if they do.

Probability/likelihood is generally ranked on a zero to one scale [e.g., three equating to a 30% probability of the risk occurring].

The impact scale is organisationally defined [e.g., one to five, with five being the highest impact on objectives, such as budget, schedule, or quality].

Categorisation of the risks is also included, i.e., whether source-based or effect-based.

Reference: Goodrich, B. (1 Nov 2014). *Qualitative vs Quantitative Risk Analysis*.- LinkedIn.

<https://www.linkedin.com/pulse/20141031182605-36477877-qualitative-vs-quantitative-risk-analysis>

Assessment submission checklist:

Students must have completed all questions within this assessment before submitting. This includes:

1	Nine [9] short answer questions to be completed in the spaces provided.	<input type="checkbox"/>
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Congratulations, you have reached the end of Assessment 1

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