

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD OF  
DIPLOMA IN PROJECT PLANNING MANAGEMENT**

**PPMA 0122: PROJECT RISK MANAGEMENT AND COMMUNICATION**

**STREAMS: Y1 S2**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 6 /07/ 2021**

**8.30 AM – 10.30 AM**

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**INSTRUCTIONS:**

- Answer Question One (Compulsory) and any other TWO in Section B.

**SECTION A**

**QUESTION ONE**

a). Explain the meaning of the following terms as used in project risk management and communication.

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|---------------------|-----------|
| i. Uncertainty      | [2 Marks] |
| ii. Risk register   | [2 Marks] |
| iii. Strategic risk | [2 Marks] |
| iv. Hazard risk     | [2 Marks] |
| v. Risk Management  | [2 Marks] |

b). Zima Fire Brigade Company is a firm dealing with risk management, as the lead employee state and explain some of the tools that a project team can use to monitor and control risks. [10 Marks]

c). State and explain the significance of risk monitoring and control in an organization. [10 Marks]

**SECTION B**

**QUESTION TWO**

a). During a high profile risk management planning meeting which took place at a posh hotel based in Mombasa County, your team identified three risks X, Y, and Z with probabilities of 10%, 50% and 35% respectively. If the first two risks occur, they will cost you Ksh.50,000 and Ksh.80,000 respectively; however, if the third risk occurs it will give you a benefit of Ksh. 100,000.

**Required**

- i. Determine the expected monetary value of Y [4 Marks]
  - ii. Determine the expected value of risk Z [4 Marks]
  - iii. Determine the total expected monetary value of these risk events. [2 Marks]
- b). Giving examples state and explain the tools and techniques used at risk identification. [10 Marks]

**QUESTION THREE**

a). As a risk management expert in a reputable organization, state and explain while giving examples the steps followed in risk management. [20 Marks]

**QUESTION FOUR**

- a). Chabary construction Ltd is a firm involved with the construction of roads. As the manager of the firm discuss the benefits of the project risk and analysis technique. [10 Marks]
- b). Business are mostly faced with so many risk, what are the main characteristics of the business risk. [10 Marks]

**QUESTION FIVE**

- a). Discuss the main objectives of developing a risk register. [10 Marks]
  - b). Risk management processes are designed to assist planners and managers in identifying significant risks and developing measures to address them and their consequences. Outline the main purpose of risk management in an organization. [10 Marks]
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