PAC INSTITUTE OF TECHNOLOGY AND SOCIAL STUDIES
MAY – AUGUST 2025 ASSESSMENT

FORMATIVE ASSESSMENT

Course	: BUSINESS MANAGEMENT
Level	: 5
Unit of Competency	: BUSINESS RISK CONTROL 1

WRITTEN ASSESSMENT
TIME: 3 HOURS

INSTRUCTIONS TO THE CANDIDATE:

1. *Read all the instructions carefully before attempting the questions.*
2. *This paper consists of two sections, A & B.*
3. *You are allowed 3 Hours to Answer the questions.*
4. *Marks for each question are indicated in brackets.*
5. *Write your responses in the Separate Answer booklet provided.*
6. *Do not write anything on this question paper.*

SECTION A: (40 MARKS)

*Answer **ALL** questions in this section.*

1) Define the term “business risk” and give two examples of internal and external risks a business may face. (4 Marks)

2) List any four key considerations when assessing the human resources available for risk management duties. (4 Marks)

3) Outline any four common sources of business risks in a small manufacturing firm. (4 marks)

4) Identify two types of risk perspectives that may arise within a company and how they influence decision making. (4 Marks)

5) Outline any four common sources of business risks in a small manufacturing firm. (4 Marks)

6)You are the risk officer of a growing logistics company. Using a relevant example, prepare a basic risk assessment matrix including at least three risks. (4 Marks)

7)Highlight any four types of risk perspectives that may arise within a company and how they influence decision-making. (4 Marks)

8) List four risk mitigation measures that could be applied in a hotel business. (4 Marks)

9)Identify and explain any two reasons why classifying risks is important before mitigation. (4 Marks)

10) Differentiate between risk impact and risk likelihood. Use an example for each. (4 Marks)

SECTION B: (60 MARKS)

Answer any ***THREE*** *questions in this section.*

11a) Assume your company has faced three compliances violations in the past year. As the risk officer, explain the legal and regulatory monitoring steps you would implement to avoid future penalties. (10 Marks)

b) You are required to develop a risk mitigation plan for a new e-commerce platform. Identify four potential risks and outline the steps you would take to mitigate them. (10 Marks)

12a) Discuss the process of preparing a risk mitigation report and the key elements it should contain. (10 Marks)

b) Explain five types of internal controls that support effective risk management in a retail company. (10 Marks)

13a) Explain five benefits of identifying business risk and analysing risk scenarios. (10 Marks)

b) Discuss five common sources of business risks in a small manufacturing firm. (10 Marks)

14a) Explain any five types of risk perspectives that may arise within a company and how they influence decision-making. (10 Marks)
b. Using a hypothetical business, briefly describe a realistic risk scenario and outline how it could be analyzed. (10 Marks)