

**UNIVERSITY OF BOLTON**

**OFF CAMPUS DIVISION**

**INSTITUTE OF DEVELOPMENT MANAGEMENT (IDM)**

**MSC PROJECT MANAGEMENT**

**SEMESTER 1 EXAMINATION 2022/23**

**MANAGING RISKS AND SOLVING PROBLEMS**

**MODULE NUMBER: PMR7002**

Date: 21<sup>ST</sup> JANUARY 2023

Time: 3 HOURS

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**INSTRUCTIONS TO CANDIDATES:**

There are **SIX** (6) questions on this paper.

Answer any **FOUR** (4) questions

All questions carry equal marks.

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### **QUESTION 1**

Okavango Consulting is helping Mochudi Communications (MC), a well-established telecommunications company, create risk management processes. One of your first assignments is to create a risk management process for a project that is replacing two old systems with two newer systems to reflect modern information technological advances.

The systems depend on one another and will have telephone and location information for MC's customers. The old systems will need to continue functioning while data is converted. The new systems are provided by a vendor who is asking MC to be one of the first companies to implement them. The company has decided to use a gateway programme, which will convert the old data into the formats of the new systems. The company has decided to create the gateway programme itself though several are available on the market. The programme is critical to both conversion efforts and a plan has been created for a phased conversion—the data will not be converted all at once—MC has been able to segment the data to be converted over the next couple of years.

The project has around 100 people working on the conversion and implementation of the new systems. Some of the stakeholders are: the programme manager (Dumela Lekae whom you are advising to establish the risk management processes), the production manager who is responsible for the current systems and will take over the new systems, a development manager responsible for the gateway programme, another development manager responsible for implementing the new systems and managing the conversion plan, the client who will need to maintain current service while the new systems are converted and the vendor who is helping to implement both systems.

**Question 1 continues over the page  
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**Question 1 continued**

- a) Suggest the categories Dumela might use to assist in identifying risks. Justify your responses. **5 marks**
- b) Propose which stakeholders should be in the risk identification working group? Explain their roles in the group? **5 marks**
- c) Critically appraise risk identification methods Dumela could use for this project? **5 marks**
- d) Identify and critically evaluate four risks that Dumela and working group might identify? Use an Identification table as outlined below to answer the question

**Identification Table**

<b>Risk</b>	<b>Category</b>	<b>Trigger</b>

**10 marks**

**(Total 25 Marks)**

**QUESTION 2**

The world Economic Forum Global Risks Report (2022 = 17<sup>th</sup> Edition) categories global risks into:

- Economic
- Environmental
- Geopolitical
- Societal and
- Technological

- a) Define each of these categories and for each category give examples of two risks that are pertinent to Africa.

**10 marks**

**Question 2 continues over the page  
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**Question 2 continued**

b) "Global risks are not isolated, and it is important to assess interconnections" (WEF Global Risk Report, 2019:102)). Identify at least four (4) risk that are particularly relevant to Botswana and critically evaluate the way in which they are interconnected?

**10 marks**

c) How can the World respond to global risks? Recommend mitigation strategies to deal with two of the risks identified in part (b).

**5 marks**

**(Total 25 Marks)**

**QUESTION 3**

A decision-making function collates and analyses data and information and decides on appropriate corrective action. One of the main management functions is to make decisions. It may be argued that the sole purpose of generating information is to make decisions.

Imagine you are responsible for two projects, Project One and Project Two which require further investment to enable completion. Each project has two possible outcomes.

Project One has two outcomes:

Part A has expected earnings of \$600,000 which has an expected probability factor of 0.2.

Part B is expected to lose \$80,000; this has a probability factor of 0.8

Project Two has three outcomes:

Part A -An earnings potential of \$1,200,000, probability factor of 70%

Part B – A loss of \$40,000, probability factor of 10%

Part C – A loss of \$100,000, probability factor of 20%

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**Question 3 continued**

a) Draw up a decision tree showing the Expected Monetary Value (EMV) of each option and decide which of the two options is worth further investment and why?

**10 marks**

b) A project you are working on has been allocated a difficult team member who is threatening to disrupt the project with his behaviour towards his colleagues. However, he is highly knowledgeable, skilled and useful to the project. This team member has been designated as a project risk. You have the following approaches open to you: risk avoidance, risk mitigation, risk acceptance, risk sharing, risk limitation and risk transfer. Your senior manager has asked you to explain each approach and indicate for each the action that could be taken in this scenario.

**12 marks**

c) Identify an optimum solution to the above problem clearly and briefly explaining your reasoning.

**3 marks**

**(Total 25 Marks)**

**QUESTION 4**

Critically analyse and evaluate the specific risks associated with two (2) of the following:

- Development of a new project site
- Business acquisition
- Project event management

How might the Project manager mitigate against the risks you have identified?

**(Total 25 Marks)**

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**QUESTION 5**

a) You work for a small Charity in your country. As part of a funding request, the board has been asked to provide information on their risk management strategy. They did not really understand what is being asked and so they engaged a consultant who has provided them with the following process:

**Initiate, Identify, Assess, Respond**

The consultant also asked about the organisation's appetite for risk but again the board did not really know what this meant.

As your manager knows that you have studied risk management she asks you to assist.

You are required to write a report that will expand and explain the risk management process into a more user-friendly format, and to explain risk attitude.

**20 marks**

b) Having completed your report; your manager and the board now have a better understanding of risk management and they have now asked you to come up with a strategy for communicating the process to the 500 employees and volunteers who are located across the country.

**5 marks**

**(Total 25 Marks)**

**QUESTION 6**

BOWICO, a Projects Implementation company in Botswana is considering a merger with SALINA, a similar business in Namibia.

Identify and critically evaluate the generic risks associated with mergers from all stakeholder perspectives.

**(Total 25 Marks)**

**END OF QUESTIONS**