MODULE 2
RISK MANAGEMENT

Practical Workplace Activity

Learner Instructions

Module 2: Risk Management – Scenario-Based Assessment

Assessment Overview

This assessment is designed to test your **practical understanding of risk management**. You are required to apply the concepts covered in **Module 2**, including:

- Types of risk

- The **RAISE** risk management process

- Risk treatment strategies

- Risk controls

You will be given a **realistic business scenario** and asked to identify risks, recommend appropriate actions, and explain how risks can be managed in practice.

Total Marks

15 marks

Assessment Instructions

1. **Read the scenario carefully** before answering any questions. Make sure you understand the business context and the issues described.

2. Answer **all questions** in your own words. Your responses should demonstrate your **own understanding and application** of risk management principles.

3. When identifying risks:

    o   Clearly state the **risk**

    o   Identify the **type of risk** (e.g. financial, operational, cyber, compliance, strategic, reputational)

4. When recommending risk management actions:

    o   Use the **RAISE approach**

    o   Select an appropriate **risk treatment option** (avoid, reduce/treat, transfer, or accept)

    o   Briefly explain your reasoning

5. When suggesting controls:

    o   Ensure the control is **practical and realistic**

    o   Explain **how the control reduces the likelihood or impact** of the risk

6. There are **no single "perfect" answers**. Marks are awarded for:

    o   Logical reasoning

    o   Correct application of concepts

    o   Clear explanations linked to the scenario

Use of Artificial Intelligence (AI)

You may use AI tools **for research and learning purposes only**, such as to help you understand risk management concepts.

However:

- Your answers must be **your own work and your own wording**.

- AI may **not** be used to generate the assessment answers in full or in substantial part.

- Submissions may be checked using **AI-detection and reverse-engineering tools**.

- If **more than 30%** of your submission is found to be AI-generated, you will:

    o Be required to **rewrite the assessment**, or

    o Be awarded a mark of **zero (0)**.

The purpose of this assessment is to evaluate **your applied understanding**, not your ability to copy or generate answers using AI.

Presentation Requirements

- Use clear headings for each question.

- Write in full sentences.

- Keep answers concise and relevant.

- Where applicable, use bullet points for clarity.

Submission Requirements

- Prepare a word document which you will use as your answer book.

- Rewrite the question and under each question, provide a clear well-constructed answer

- Submit the assessment by the communicated deadline.

- Ensure your name appears on the document.

- Late submissions may be subject to assessment policy rules.

Learner Declaration

By submitting this assessment, you confirm that:

- The work is **your own**.

- You have complied with the rules regarding the use of AI.

- You understand that misrepresentation or academic misconduct may result in disciplinary action.

Scenario: Digital Retail Company

ABC Retail (Pty) Ltd is a growing online retail company that sells clothing and accessories through its website and mobile app. The company processes customer payments online and stores customer personal information such as names, addresses, contact details and payment history.

Recently, the following issues have been identified:

- The company experienced a **website outage** during a weekend sale, resulting in lost sales.

- Several customers complained on social media that they received **spam emails** shortly after shopping on the site.

- The finance team reported that **cash flow is tight** because customers are using "buy now, pay later" options, delaying revenue.

- Management is planning to **expand into another African country** but has not yet researched local laws or consumer behaviour.

- Staff have not received any **formal cyber or data protection training**.

You have been asked to assist management by identifying the risks and recommending appropriate risk management actions.

Question 1: Identify Risks (6 Marks)

Identify **any three (3)** risks from the scenario above.

For each risk:

- State the **type of risk** (e.g. operational, cyber, financial, compliance, strategic, reputational).

- Briefly explain **why** it is a risk.

Marks:

- Correct risk identified (1 mark × 3 = 3 marks)

- Correct risk type explained (1 mark × 3 = 3 marks)

- **Total: 6 marks**

Question 2: Risk Management Strategy (5 Marks)

Using the **RAISE approach**, recommend a **risk treatment strategy** for **each of the three risks** identified in Question 1.

Your answer must include:

- The **risk treatment option** (avoid, reduce/treat, transfer, or accept)

- A short explanation of **why this strategy is appropriate**

Marks:

- Appropriate strategy identified (1 mark × 3 = 3 marks)

- Clear justification linked to risk impact (2 marks)

- **Total: 5 marks**

Question 3: Risk Controls (4 Marks)

For **any two (2)** of the risks identified, recommend **one control** for each risk.

Controls may include:

- Policies or procedures

- System or technology controls

- Training or awareness controls

Explain **how each control would reduce the risk**.

Marks:

- Appropriate control identified (1 mark × 2 = 2 marks)

- Explanation of how the control reduces likelihood or impact (1 mark × 2 = 2 marks)

- **Total: 4 marks**

Total: 15 Marks