UNIVERSITI POLY-TECH MALAYSIA
UPTM

# FINAL EXAMINATION

## BACHELOR OF BUSINESS ADMINISTRATION (HONOURS)
## BACHELOR OF BUSINESS ADMINISTRATION (HONOURS) HUMAN RESOURCE MANAGEMENT

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| **COURSE** | : | **RISK MANAGEMENT** |
| **COURSE CODE** | : | **MGT4353** |
| **DURATION** | : | **3 HOURS** |

**INSTRUCTIONS TO CANDIDATES:**

1. This question paper consists of **TWO (2)** parts : PART A (2 questions)
 : PART B (3 questions)
2. Answer **ALL** questions from PART A and PART B in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of:
   i. The Question Paper.
   ii. An Answer Booklet.
4. Do not bring any material into the examination hall.
5. Please write your answer using permanent ink.

**MYKAD/ PASSPORT NO** : ______________________

**ID. NO.** : ______________________

**LECTURER** : ______________________

**SECTION** : ______________________

**DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO**

*This question paper consists of 5 printed pages including the front page.*

## PART A: LONG STRUCTURED

**Instruction: Answer ALL questions.**

1. Toyota Motor Corporation faced renewed supply chain disruptions caused by global semiconductor shortages, geopolitical tensions from the Russia–Ukraine war, and shipping instability in the Red Sea, which affected the availability of critical components and logistics timelines. These challenges led to temporary production suspensions at some plants and delays in vehicle deliveries across Asia, Europe, and North America.

   Using the Plan, Implement, Measure, and Learn (PIML) risk management framework, critically analyse how Toyota managed its supply chain risks.

   (20 marks)

2. Tesla, a leading global electric vehicle (EV) manufacturer, has been facing significant external risks due to ongoing global supply chain disruptions and changing macro-environmental conditions. The company relies heavily on critical raw materials such as lithium and nickel for battery production, as well as semiconductors sourced from multiple countries.

   Based on the case study, apply PESTLE analysis to evaluate the external risks affecting the EV manufacturer and suggest suitable risk mitigation measures.

   (15 marks)

**(TOTAL: 35 MARKS)**

## PART B: LONG ESSAY

**Instruction: Answer ALL questions.**

1. AirAsia, one of Malaysia's largest low-cost airlines, relies extensively on digital platforms and third-party service providers to manage flight bookings and customer data. In 2020, the airline experienced a major cybersecurity incident when hackers gained unauthorized access to its systems through a third-party provider. As a result, the personal data of millions of passengers were exposed, including names, contact details, and booking information. Although payment card details were not compromised due to system segregation, the breach raised serious concerns about data privacy, cybersecurity controls, and third-party risk management. The incident received significant public and media attention, highlighting the growing cybersecurity threats faced by data-driven organizations.

   The breach prompted investigations by Malaysian regulators under the Personal Data Protection Act (PDPA) 2010, placing AirAsia under scrutiny for its data protection practices and governance oversight. Operationally, the airline faced disruptions due to system reviews and remediation efforts, while reputationally, customer trust and brand confidence were negatively affected. The incident underscored the importance of robust cybersecurity frameworks, effective vendor risk management, and strong corporate governance. It also demonstrated how cyber incidents can lead to regulatory, operational, and reputational risks, even when direct financial losses are limited.

   (The Star, 23 November 2022)

   Using the risk management process, evaluate how Air Asia managed the cybersecurity incident.

   (20 marks)

   (Total: 20 marks)

2. On 1 April 2025, a major industrial incident occurred in Putra Heights, Subang Jaya, Selangor, when a natural gas pipeline operated by Petronas Gas exploded and ignited a large fireball that was visible for kilometres and burned for several hours. The explosion, which occurred around 8:08 am, injured over 140 people and prompted evacuations within a wide radius of the site; emergency services battled the blaze and shut off gas supply to prevent further escalation. The fire also caused extensive property damage — including to hundreds of homes and vehicles — and left behind a deep crater at the blast site.

The incident triggered widespread public concern, drawing attention from government authorities, safety regulators, and media. Investigations by police and safety agencies ruled out sabotage or foul play, instead highlighting factors such as soil movement and environmental stress leading to pipeline failure, and prompting calls for improved infrastructure monitoring and oversight. Parliamentary and local stakeholders also noted that the blast revealed weaknesses in development control and infrastructure risk management near critical energy pipelines, leading to recommendations for tighter inspection regimes and hazard mitigation strategies in urban settings.

(The Star, 28 August 2025)

Using the Hierarchy of Hazard Controls, assess **FIVE (5)** major hazards arising from the gas pipeline explosion and the adequacy of existing hazard controls in relation to the incident.

(25 marks)

(Total: 25 marks)

3. In late 2024, prolonged heavy rainfall in Shah Alam, Selangor, led to severe flooding that inundated large parts of the city's industrial and manufacturing zones, disrupting normal business activities and infrastructure. Many areas experienced rising water levels, prompting authorities to close major roads and hampering mobility around sections of Shah Alam as continuous rain triggered flash floods. Although widely reported floods in the region over recent years have caused broad social and economic disruption, including major road closures from heavy downpours, localized industrial impacts during 2024 reflected this pattern of extreme rainfall and its consequences on infrastructure and operations in the Klang Valley area.

A medium-sized electronics manufacturing company based in Shah Alam suffered extensive losses as its factory building, production machinery, raw materials, and finished goods were damaged by floodwaters, forcing a suspension of operations for several weeks and resulting in significant lost revenue and delayed deliveries to customers. Although the company held property and business interruption insurance, disputes arose concerning the adequacy of the coverage, the claims process, and policy exclusions related to flood risk, complicating recovery efforts and underscoring the challenges businesses face in securing and realising insurance benefits in the face of natural disasters like the seasonal floods affecting the region.

(The Sun, 24 Nov 2025)

According to case study above, assess **SIX (6)** company's considerations in purchasing insurance were adequate for managing the financial impact of the flood disaster.

(20 marks)

(Total: 20 marks)

**(TOTAL: 65 MARKS)**

**(TOTAL: 100 MARKS)**

**END OF QUESTION PAPER**