UNIVERSITI POLY-TECH MALAYSIA
UPTM

FINAL EXAMINATION

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

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. A multinational manufacturing company has recently experienced several risk-related incidents:

   - A cyberattack that disrupted production
   - Supplier delays affecting inventory levels
   - Non-compliance issues during a regulatory audit
   - Inaccurate internal performance reports that misled management.

   Following these events, the board decides to strengthen its risk management practices and adopts the COSO ERM Cube as the organisation's standard framework.

   Based on the situation above, apply **THREE (3)** dimensions of the COSO ERM Cube that would help the company manage its recent risk incidents.

   (20 marks)

2. RapidMove Express, a logistics company, recently faced two significant operational challenges. The first involved a delivery truck accident caused by heavy rain and poor road visibility. The second arose when some staff refused to deliver packages to a high-crime area, citing concerns about personal safety. Management observed that employees responded differently to these risks: while some drivers became overly cautious or declined certain assignments, others continued their work without hesitation. These incidents highlighted the varying perceptions of risk among employees and the need for the company to develop effective risk management and safety protocols.

   Based on the situation above, assess **THREE (3)** factors influence risk perception and **TWO (2)** risk attitude among the employees of RapidMove Express.

   (15 marks)

(TOTAL: 35 MARKS)

PART B: LONG ESSAY

Instruction: Answer ALL questions.

1. In July 2024, Malaysia was shaken by a high-profile cyberbullying case involving Rajeswary Appahu, who experienced sustained online harassment through insulting messages, manipulated images, and defamatory comments. The continuous attacks caused severe emotional distress and highlighted how digital platforms can be used to spread harmful content rapidly. Her case, widely reported by local media, demonstrated the real consequences of unchecked cyberbullying and raised national concern about the vulnerability of young people in online spaces.

   This real incident mirrors the growing risks faced by students in school environments. At Taman Mutiara Secondary School (TMSS), digital learning tools and social-media platforms were widely used for communication and group activities. However, increased online engagement also introduced behavioural risks. In early 2024, a Form 3 student, Aina, became the target of cyberbullying when several classmates created a private social-media group to circulate edited photos and spread false rumours about her. The content quickly spread across different classes, leading to emotional distress, loss of confidence, and declining academic performance. The school only learned of the issue after Aina's parents reported drastic changes in her behaviour, revealing gaps in monitoring and digital-safety awareness. The case underscored how real-world cyberbullying patterns such as those seen in Rajeswary's tragedy can similarly endanger students and emphasized the need for stronger cyber-safety policies, early detection mechanisms, and preventive digital-behaviour programs in Malaysian schools.

   (The Star, 25 July 2024)

   Using the risk management process, evaluate how Taman Mutiara Secondary School managed the cyberbullying incident involving Aina.

   (20 marks)

   (Total: 20 marks)

2. Boeing faced a renewed safety crisis involving its flagship aircraft, the 737 MAX. Although the model had previously been grounded worldwide following two fatal crashes in 2018 and 2019, the company struggled again with systemic risk-control and supply-chain issues. The crisis peaked in January 2024 when a door-plug panel on an Alaska Airlines 737 MAX 9 detached mid-flight, forcing an emergency landing. Although there were no fatalities, the incident triggered investigations by regulators, airlines, and industry experts.

Subsequent findings revealed that the problem was not caused by a single error but rather by deep structural weaknesses in Boeing's risk controls, including gaps in quality inspection, over-reliance on external suppliers, inadequate documentation processes, and manufacturing lapses at partner company Spirit AeroSystems. The incident significantly damaged Boeing's reputation, resulting in temporary grounding of the MAX 9 fleet, production slowdowns, regulatory pressure, and financial losses.

The crisis highlighted the direct relationship between supply-chain risks and operational safety, showing how aggressive production strategies can conflict with safety assurance. It also demonstrated Boeing's need to reassess its risk appetite, strengthen quality assurance, and adopt a more balanced approach between strategic growth and consistent risk mitigation.

(National Transportation Safety Borad, 24 June 2024)

Using the strategic risk response framework (4E Strategy), assess how the organisation responded to the 737 MAX supply-chain and safety crisis.

(25 marks)

(Total: 25 marks)

3. Malaysia's recent severe flooding across states such as Selangor, Johor, Pahang, Kelantan, and Sabah caused extensive damage to factories, warehouses, shop lots, and residential areas. These events demonstrated why organisations increasingly purchased flood insurance: first, to transfer the financial burden of property damage, machinery losses, and business interruption to insurers; and second, to ensure business continuity, as insured companies could recover faster from operational shutdowns and costly repairs. The floods highlighted that insurance, particularly with flood extensions and business interruption coverage, plays a crucial role in protecting organisations from catastrophic climate-related risks.

However, the flooding also revealed several key considerations organisations faced when buying such policies. Many businesses needed to evaluate their location-based exposure, especially those operating in high-risk flood zones, which influenced the level of coverage and premiums. Additionally, they had to review policy terms and exclusions, including sum insured adequacy, the need for flood riders, waiting periods, and limitations that could affect claim settlements. These considerations pushed organisations to reassess their risk profiles, enhance coverage, and implement mitigation measures to strengthen financial resilience.

(The Straits Times, 28 December 2021)

Based on the case study above, interpret **TWO (2)** reasons organisations purchased flood insurance and **TWO (2)** key considerations they faced when buying the policy.
(20 marks)

(Total: 20 marks)

(TOTAL: 65 MARKS)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER