

Everyone's Smart University

Assignment 1 (Spring 2021)

Student Name. **KHALED AHMAD ALGHAMDI**

اسم الطالب

Students I.D. **2021201154**

الرقم الجامعي

Section

**Master of Project
Management**

Date

18 / 02 / 2021

Course Code

(PMG510)

Project Risk Management

Instructions:

Instructor's Name: Eng. Mosaab M. Hamed

حتى الآن من المفترض أن تكون أصبحت قادراً على التعرف والتمييز بين أنواع المخاطر المختلفة وكيفية التعامل معها. كما يمكنك الآن رؤية كيف يتم هذا الأمر في الشركات الكبيرة والمرموقة.

في هذا الواجب: قم باختيار واحدة من الشركات التالية:

أرامكو السعودية

البنك الأهلي التجاري

شركة الاتصالات السعودية

قم باختيار واحدة من الشركات الثلاث المذكورة أعلاه ثم ابحث عن أي 4 مخاطر تواجهها هذه الشركة .

لكل خطر من هذه المخاطر قم بالاجابة عن الأسئلة التالية:

1. لماذا اعتبرته خطراً؟
2. ماهو نوع هذا الخطر؟
3. ماهي احتمالية هذا الخطر؟ وفي حالة وقوعه مامدى قوة وتأثير هذا الخطر؟
4. ماهي السياسة أو الاستراتيجية التي تتبعها هذه الشركة للتعامل مع هذا الخطر وادارته؟

** يمكنك الاجابة باللغة العربية أو الانجليزية على ألا تتجاوز اجابتك صفحتين من النوع A4

** يتم تسليم جميع الاجابات في ملف بصيغة pdf.

** حجم الخط 12.

** نوع الخط Arial.

** المسافة بين الأسطر (line spacing) 1.5

أمنياقي بالتوفيق.

Throughout this course you have learned about the different types of risk and how businesses manage them. Now you will be able to see how it is done in a well-known company.

Your assignment is to choose one of the following companies:

Saudi Aramco

The National Commercial Bank

Saudi Telecom Company

Do some research on any of the aforementioned companies and identify four risks they are facing.

For each risk please answer the following:

1. Why is this a risk?
2. What type of risk is it?
3. What is the likelihood of the risk? How great is the impact?
4. What strategy or policy does the company use to manage the risk?

** Your answers could either be in Arabic or English.

** You should submit your assignment in a pdf formatted file.

** Font size should be 12.

** Font type is Arial.

** Line spacing is 1.5.

All the best.

Saudi Aramco

	Climate risk	Operational risk	Market risk	Legal risk
Why is this a risk?	Sensitive eco-systems, limited renewable water resources and huge reliance on fossil fuels exports leads to fear regarding climate change and ultimately demand of hydrocarbons can be reduced due to shifting towards more fuel-efficient vehicles by consumers	Caused by inefficient implementation issues in procurement, production as well as distribution.	Caused by Natural disasters, political turmoil and economic factors	Breaches of anti-bribery as well as anti-corruption rules, and applicable penalties as well as trade barriers
What type of risk is it?	Systematic risk or non-controllable	Unsystematic risk, controllable or diversifiable risk	Systematic risk or non-diversifiable	Unsystematic risk or diversifiable risk

What is the likelihood of the risk? How great is the impact?	Reduction in international demand for hydrocarbons leads to hostile impact on • Aramco's business, financial position & operations outcomes • Have to suffer costs and spend extra funds • Physical impacts on Aramco's infrastructure • Raise the likelihood of the business being pursued for damages from states, public entities, as well as others.	Great effect on operations and leads to substantial liabilities as well as costs Operational risks in Saudi Aramco are • Leakage in crude oil and gas, pipeline and storage tank • electric power disruptions and failures • transportation disruptions as well as collisions • hazardous chemicals, leakage, and leaks of poisonous or dangerous chemicals or substances	International economic factors affects investment in Saudi Aramco in two ways • Price volatility: Rise and fall in world oil prices could reduce the revenues • High Demand risk: china being a world's biggest importer and essential markets for Aramco's oil production. Reduction in china's economic growth reduces the demand for its petroleum import from Saudi Aramco. Consequently, its share value declines	In joint venture with Russia, no assurance can be provided for protecting it by inefficient conduct of business partners regarding its corporate governance and legal compliance. In case of sanctions caused by transacting with counter parties, assets could be freeze against Aramco Limitations on investors exchanging the Company's shares, serious civil or criminal fines, or both, which may have a materially detrimental influence on
--	--	--	--	---

				theCompany's profitability and financial status.
What strategy or policy does the company use to manage the risk?	Diverse and balanced portfolio with technological innovation	Diversification of portfolio	• Off-take buying contract • Search out new market for manufacturing • Assets allocation	Diversification strategy

	Climate risk	Operational risk	Market risk	Legal risk
Why is this a risk?	Sensitive eco-systems, limited renewable water resources and huge reliance on fossil fuels exports leads to fear regarding climate change and ultimately demand of hydrocarbons can be reduced due to shifting towards more fuel-efficient vehicles by consumers	Caused by inefficient implementation issues in procurement, production as well as distribution.	Caused by Natural disasters, political turmoil and economic factors	Breaches of anti-bribery as well as anti-corruption rules, and applicable penalties as well as trade barriers
What type of risk is it?	Systematic risk or non-controllable	Unsystematic risk, controllable or diversifiable risk	Systematic risk or non-diversifiable	Unsystematic risk or diversifiable risk

What is the likelihood of the risk? How great is the impact?	Reduction in international demand for hydrocarbons leads to hostile impact on • Aramco's business, financial position & operations outcomes • Have to suffer costs and spend extra funds • Physical impacts on Aramco's infrastructure • Raise the likelihood of the business being pursued for damages from states, public entities, as well as others.	Great effect on operations and leads to substantial liabilities as well as costs Operational risks in Saudi Aramco are • Leakage in crude oil and gas, pipeline and storage tank • electric power disruptions and failures • transportation disruptions as well as collisions • hazardous chemicals, leakage, and leaks of poisonous or dangerous chemicals or substances	International economic factors affects investment in Saudi Aramco in two ways • Price volatility: Rise and fall in world oil prices could reduce the revenues • High Demand risk: china being a world's biggest importer and essential markets for Aramco's oil production. Reduction in china's economic growth reduces the demand for its petroleum import from Saudi Aramco. Consequently, its share value declines	In joint venture with Russia, no assurance can be provided for protecting it by inefficient conduct of business partners regarding its corporate governance and legal compliance. In case of sanctions caused by transacting with counter parties, assets could be freeze against Aramco Limitations on investors exchanging the Company's shares, serious civil or criminal fines, or both, which may have a materially detrimental influence on the Company's
--	--	--	--	---

				profitability and financial status.
What strategy or policy does the company use to manage the risk?	Diverse and balanced portfolio with technological innovation	Diversification of portfolio	• Off-take buying contract • Search out new market for manufacturing • Assets allocation	Diversification strategy