



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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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 وإدارته؟

**** 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**

أمنياتي 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

I believe risk is an uncertain event or condition that if occurs, has a positive or negative effect on one or more objectives such as scope, cost or quality so that's mean if there is 100% chance of an event occurs, this would be an issue not risk. Also, risk with negative consequences are called threats and risk with positive consequence are called opportunities meanwhile there are seven process that everyone's should go throw it to have a best risk control output which is Plan risk management, identify risk, perform qualitative risk analysis, perform quantitative risk analysis, plan risk responses, implement risk response and monitor risk. So, before identifying any risk the plan risk management should be provided that might include frequency & timing, stakeholder tolerances, risk tracking and audit, strategy, methodology, roles and responsibilities, risk categories, risk management funding and definitions of probability etc..

One of major risk that's Aramco facing is Risks related to crude oil supply and demand which mean Saudi Aramco's results of operations and cash flow are significantly impacted by international crude oil supply and demand and the price at which it sells crude oil. Absolutely this risk are the main majority function of the organization because Sales of crude oil are the largest component of Saudi Aramco's consolidated revenue and other income related to sales. Accordingly, Saudi Aramco's results of operations and cash flow are significantly impacted by the price at which it is able to sell crude oil. The International crude oil supply and demand and the sales price for crude oil are affected by many factors that are beyond Saudi Aramco's control, that including market expectations with respect to future supply of petroleum and petroleum products, demand and price changes, including future demand for petroleum products in Asia; global economic and political conditions and geopolitical events, including any that impact international trade (including trade routes) this risk are opportunity risk due to sometimes, organizations deliberately take risks, especially marketplace or commercial risks, in order to achieve a positive return and The focus of opportunity risks will be towards investment. The likelihood is high and magnitude also high. The fluctuations in the price at which Saudi Aramco sells crude oil could cause Saudi Aramco's results of operations and cash flow to vary significantly. In addition, decreases in the price at which Saudi Aramco sells its crude oil could have a material adverse effect on Saudi Aramco's results of operations and cash flow in addition this risk are treated as unknown/unidentified risk that use management reserve to be added as a percentage of total project costs or project overall budget that should be approved from the top managements.

The second major risk that's Aramco facing is Risks related to insufficient insurance which mean Saudi Aramco could be subject to losses from risks related to insufficient insurance. This is risk because Saudi Aramco does not insure against all risks and its insurance may not protect it against liability from all potential events, particularly catastrophic events such as major crude oil spills, environmental disasters, terrorist attacks or acts of war. In addition, Saudi Aramco does not maintain business interruption insurance for disruptions to its operations and certain of its operations are insured separately from the rest of Saudi Aramco's business. So, this risk are control risk due to frequently associate with Management. The likelihood high and also magnitude high. As a result, Saudi Aramco could incur significant losses from uninsured risks or risks for which its insurance does not cover the entire loss. Any such losses could have a material adverse effect on Saudi Aramco's business, financial position and results of operations so this risk are treated as also unknown/unidentified risk that use management reserve to be added as a percentage of total project costs or project overall budget that should be approved from the top managements.

In third we have also Risks related to the comparability of financial periods presented which mean The Government has recently adopted several changes to the fiscal regime under which Saudi Aramco operates. These changes materially impact Saudi Aramco's results of operations and make its consolidated financial statements for certain periods less comparable, particularly with respect to revenue, production royalties and excise and other taxes and income tax. So, I believe this risk are Uncertainties can be associated with the benefits that the project produces, as well as uncertainty about the delivery of the project on time, within budget and to specification. Also, these risk has low likelihood and high magnitude. Saudi Aramco put a strategy use to manage risk that's depend on financial statement and results and performance of the year.

The fourth and the last risk we have also Risks related to foreign operations which mean Saudi Aramco is exposed to risks related to operating in several countries. Risks inherent in operating in several countries include: complying with tax regimes in multiple jurisdictions, the imposition of new or increased withholding or other taxes or royalties on Saudi Aramco's income; the imposition of new, or changes to existing, transfer pricing regulations or the imposition of new restrictions on foreign trade or investment; fluctuations in foreign currency exchange rates. In this case I believe we have here also control risk due to these risk are frequently associated with Project Management and the likelihood is low also magnitude is low. I think operating in several countries also requires significant management attention and resources. The occurrence of any of these risks may be burdensome and could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.