

- Within your group, develop a ranking system for probability and impact for your projects. Please use the example below as your reference.

		Consequences (Impact)				
		Insignificant (1) No injuries / minimal financial loss	Minor (2) First aid treatment / medium financial loss	Moderate (3) Medical treatment / high financial loss	Major (4) Hospital / large financial loss	Catastrophic (5) Death / massive financial loss
Probability Likelihood	Almost Certain (5) Often occurs / once a week	Moderate (5)	High (10)	High (15)	Catastrophic (20)	Catastrophic (25)
	Likely (4) Could easily happen / once a month	Moderate (4)	Moderate (8)	High (12)	Catastrophic (16)	Catastrophic (20)
	Possible (3) Could happen or known it to happen / once a year	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
	Unlikely (2) Hasn't happened yet but could / once every 10 years	Low (2)	Moderate (4)	Moderate (6)	Moderate (8)	High (10)
	Rare (1) Conceivable but only on extreme circumstances / once in 100 years	Low (1)	Low (2)	Low (3)	Moderate (4)	Moderate (5)

- Decide how many of the top risks permit the additional effort of a risk response plan.
- Take the list of risks that you created and, working with your team, assign probability and impact rankings and generate a risk score.
- Rank order the risks and identify the top risks which permit the additional work of a risk response plan.

Part A Negative risks assessment

Select the proper value from the list and drop it in the table:

Risk	Probability of occurrence	Impact	Risk Score	Rank
Safety hazards that lead to worker accidents and injuries		5	25	
Managing change orders	4		12	
Incomplete drawings and poorly defined scope	2	5		
Not obtained legal permissions	4		20	
Poorly written contracts		5	5	
Unexpected increases in material costs	3		9	
Labor shortages	1	4		
Damage or theft to equipment and tools	1		3	
Natural disasters		1	1	
Issues with subcontractors and suppliers	5		15	
Availability of project materials	1	2		

Part B Positive risks assessment

Select the proper value from the list and write it in the table:

Risk	Probability of occurrence	Impact	Risk Score	Rank
Inflation and low employment rates	5	5	25	
On time deliveries	4		12	
Long life projects and over engineering	2	5		
Market domination and lack of competitors.		5	20	
Technology and artificial intelligence	1		5	
Lock down due to pandemic situation (more time to plan)	3	3		
Trade policy and manpower supply		4	4	
Supply surplus	1	3		
Project early finish	2		8	
Rent and over head cost reduction		4	4	
Fuel cost reduction		3	15	

1. What you will do with risks have the same score?

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2. What is the score of the risk that has impact of 7 and probability of occurrence of 7%?

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3. According to your risk assessment Inflation has (High, Medium, Low) impact and it is (most likely, Unlikely, Possible) to happen.

4. Positive risks are considered but negative risks are considered

5. Risk ranking can help the project manager to (Select the correct answer):

- a. Plan risk response
- b. Reduce cost
- c. Find opportunities.
- d. Manage the project team.