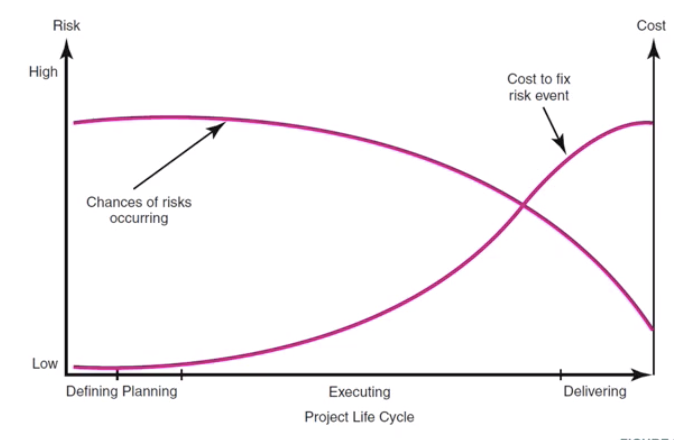
QBUS3350 – Topic 5 (Weeks 8-9)

1. **How does risk level vary with project life cycle stages? Where is the period of highest risk impact? Why?**

Risk is highest during defining and planning, and decreases gradually during executing stage. Finally risk drops dramatically during delivering stage. This is because we have a lot of uncertainties at the defining and planing stage, for example, when the manager has a clear vision of what customers want but it is far from realisation, as such the uncertainty is high. In the executing stage, questions and problems are answered and resolved when project is processed therefore risk keep decreases until finish..



1. **Consider the following statement: “The problem with risk analysis is that it is possible to imagine virtually anything going wrong on a project. Where do you draw the line? In other words, how far do you take risk analysis before it becomes overkill?” How would you respond?**

We can use different methods to identify the risks, such as brainstoming and asking opinions from experts. Managers can use quantitative and qualitative tools to figure out the scores to identify what task would need more concern. When the significant risk variable has been identified, we need to come up with contingency plan to response to the risk. This process doesn’t ensure that all risks will be identified or that the right contingency plan will be created. However, the benefits of taking part of risk management is worthwhile as it avoids danger of no preparing for potential problems. In other words, it’s important to perform risk management and if we perform well in the risk management, we are able to avoid many potential issues in the future but it is impossible to imagine all the risks. So it is important to know the prioritisation and the final goals of project.

1. The Manchester United Soccer Tournament project team (Review Manchester United case at the end of Chapter 4) has identified the following potential risks to their project:

a. Referees failing to show up at designated games.

b. Fighting between teams.

c. Pivotal error committed by a referee that determines the outcome of a game.

d. Abusive behavior along the sidelines by parents.

e. Inadequate parking.

f. Not enough teams sign up for different age brackets.

g. Serious injury.

How would you recommend that they respond (i.e., avoid, accept, …) to these risks and why?

1. A small project needs to complete two parallel activities A and B. The activity time of A and B are identically and independently distributed. With probability 0.5, A takes 1 unit of time and with probability 0.5, A takes 2 units of time. Determine the expected project duration and quantify how much PERT method underestimates the expected project duration.