

The Scope of Finance English Final-term Exam

Textbook

P.68 (II) Q4,Q10

P.88 (II) Q2,Q7,Q9,Q12

P.141 (II) Q2

P.153 Write out the typical layout of an Income statement.
(Including the item and the definitions)

P. 154-156 Why is cash flow so important to a company?

The supplementary questions came from the Website

Q1. Some common risk management objectives chosen by companies to frame their ERM approach, What important contents should include inside?

Q2. When defining risk management goals and objectives, management should ask “tough questions”, Write out at least six basic questions to take into consideration.

The answer can be found in the following website.

<http://info.knowledgeleader.com/bid/164011/how-to-define-risk-management-goals-and-objectives-in-your-organization>

Q3. Risk can come from both internal and external sources, write out the items of internal and external risk?

References

Risk can come from both internal and external sources. The external risks are those that are not in direct control of the management. These include political issues, exchange rates, interest rates, and so on. Internal risks, on the other hand, include non-compliance or information breaches, among several others.

Risk management is important in an organisation because without it, a firm cannot possibly define its objectives for the future. If a company defines objectives without taking the risks into consideration, chances are that they will lose direction once any of these risks hit home. In recent years, many companies have added risk management departments to their team. The role of this team is to identify risks, come up with strategies to guard against these risks, to execute these strategies, and to motivate all members of the company to cooperate in these strategies. Larger organisations generally face more risks, so their risk management strategies also need to be more sophisticated. Also, the risk management team is responsible for assessing each risk and determining which of them are critical for the business. The critical risks are those that could have an adverse impact on the business; these should then be given importance and should be prioritized. The whole goal of risk management is to make sure that the company only takes the risks that will help it achieve its primary objectives while keeping all other risks under control.

Due to the prevailing focus on risk, [risk management jobs](#) have opened up. Risk management jobs are usually considered as financial careers because most of the risks that businesses face are closely tied to the company's financial standing.

[Risk management jobs](#) are available both internally and externally. You can work for a company as an internal risk manager or you can become part of a risk management firm who provides risk management services to companies who don't have in-house risk managers.

To become eligible for risk management jobs, you will need a bachelor's degree. Some companies and firms also require an MBA. Some risk management certifications will also help you progress up the career ladder.

Risk management jobs are very rewarding, primarily because a risk professional plays a crucial function in an organisation. They are also rewarded well in financial terms. However, the job can also be challenging especially when there are turbulent risk factors that affect the firm. Nevertheless, the risk management position is currently one of the most well-respected positions in firms and companies.

<https://www.careersinaudit.com/article/the-importance-of-risk-management-in-an-organisation/>

Q4. Generally, risks to the Company's success can be grouped into four categories: (1) Strategic, (2) Operational, (3) Compliance and (4) Financial & Reporting. Specific examples of each type of risk are included in the website linkage below.

Write out the answers

- (1) Strategic Risk
- (2) Operational Risk
- (3) Compliance Risk

Reference website

<https://www.jnj.com/document?id=0000015a-678b-d85b-a1da-779f4cfe0000>

(at P.8)

Q5.

Write out the answers

J&J Enterprise Risk Management Framework Components

Reference website

<https://www.jnj.com/document?id=0000015a-678b-d85b-a1da-779f4cfe0000>

(at P.14)

Q6.

Write out your learning viewpoints and harvest in Finance English.