



CASE STUDY
RISK MANAGEMENT PROCESS IN SAPURACREST PETROLEUM
BERHAD

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**BACHELOR OF BUSINESS ADMINISTRATION (HONS) INTERNATIONAL
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“DECLARATION OF ORIGINAL WORK”

I, SITI NUR RAMIZAH BINTI LONG ZAINUDIN, (I/C Number: 870102-14-5120)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature:

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LETTER OF SUBMISSION

Nov 2010

The Head of Program
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Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "CASE STUDY, THE RISK MANAGEMENT PROCESS IN SAPURACREST PETROLEUM BERHAD" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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Table of Content

Acknowledgement

Declaration of Original Work

Letter of Submission

Table of content

1.0	Introduction	
1.1	Introduction of the Risk Management	1
1.2	Background of the company	2
1.3	Background of study	11
1.4	Issue	11
1.5	Objectives	13
1.6	Significance of study	13
2.0	Literature Review	
2.1	Introduction	14
2.2	Design of framework for managing risk	
2.2.1	Determining the objectives	16
2.2.2	Risk Identification	18
2.2.3	Evaluating the risks	19
2.2.4	Considering the alternatives and selecting the risks treatment device	19
2.2.5	Implementing the decision	20
2.2.6	Evaluating and reviewing	21
2.2.7	Continual improvement	22
3.0	Source of Information	23
3.1	Primary Data	
3.2	Secondary Data	
4.0	Findings	24
5.0	Gap of Study	29
6.0	Conclusions & Recommendations	31

Bibliography

1.0 INTRODUCTION

1.1 Introduction of the Risk Management

Risk as defined by Emmett J. Vaughan (1996) is the “condition in which there is possibility of an adverse deviation from a desired outcome that is expected or hoped for”. Generally risk is related to the loss, hazards, perils, dangers, threats and the chances and the possibility. It may cause expected or unexpected result.

Referring to Emmett J. Vaughan (1996), risk management is defined as a “scientific approach to the problem of dealing with the pure risks by anticipating possible accidental losses and designing and implementing procedures that minimize the occurrence of loss or the financial impact of the losses that do occur”. Risk management is an objective corporate approach to the problem of deciding the best way of controlling the threats to the security of an organisation. Hence, his defined as whole risk management as “the making of decisions concerning risks and their subsequent implementation, and flows from risk estimation and risk evaluation”. Kenneth W. Hollman and Jack E. Forrest (1991) said that “risk management is a logical and continuous process which can be used by managers to approach and solve risk management problems”.

Risk management is important for a firm because it involves the protection of firm’s assets and properties (Kenneth W. Hollman and Jack E. Forrest, 1991). The Turnbull Report made at the request of the London Stock Exchange (LSE) stated that, “. . . is about the adoption of a risk-based approach to establishing a system of internal control