

**RISK MANAGEMENT OF DIFFERENT CONTRACTUAL
APPROACHES IN CONSTRUCTION INDUSTRY**

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ABSTRACT

Generally, there is no construction project without risk. Risk may effect constructions project negatively. Normally risks tend toward danger and potentially contributing to severe impact such as project delay and financial loss. Moreover, the effects that caused by the risk are difficult to be predicted. Hence, in the order to ensure the smooth undertaking of project, any occurrence that may lead failure and financial loss a need to be identified, managed and eliminated. There are much ways that can be adopted to manage risk is by using appropriate project delivery method. This study reviews risk in general including definition, types of risk, risk management method in project delivery system and the most important part is assessing effectiveness of project delivery system which adopted theoretically and practically in the construction process. The finding of the study indicates that risk often occurs during construction stage. Among these are financial risk, management risk, delay risk, workmanship risk and accidental risk. Each delivery project system can be minimize specific risk in each stage in construction project especially Design and Build Method.

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