BSBSMB401

Establish legal and risk management requirements of small business

Learner Workbook

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Candidate Details

Assessment – BSBSMB401: Establish legal and risk management requirements of small business

Please complete the following activities and hand in to your trainer for marking. This forms part of your assessment for BSBSMB401: Establish legal and risk management requirements of small business

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Declaration

I declare that no part of this assessment has been copied from another person's work with the exception of where I have listed or referenced documents or work and that no part of this assessment has been written for me by another person.

Signed: Shane Morrow

Date: 29/03/2019

If activities have been completed as part of a small group or in pairs, details of the learners involved should be provided below;

This activity workbook has been completed by the following persons and we acknowledge that it was a fair team effort where everyone contributed equally to the work completed. We declare that no part of this assessment has been copied from another person's work with the exception of where we have listed or referenced documents or work and that no part of this assessment has been written for us by another person.

Learner 1: Shane Morrow

Signed: Shane Morrow

Competency Record to be completed by Assessor

Learner Name:

____

Date of Assessment: ____

The learner has been assessed as competent in the elements and performance criteria and the evidence has been presented as;

	Assessor Initials
Authentic	
Valid	
Reliable	
Current	
Sufficient	

Learner is deemed: COMPETENT NOT YET COMPETENT (Please circle)

If not yet competent, date for re-assessment:

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Comments from Trainer / Assessor:

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Assessor Signature:

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Observation/Demonstration

Throughout this unit, you will be expected to show your competency of the elements through observations or demonstrations. Your instructor will have a list of demonstrations you must complete or tasks to be observed. The observations and demonstrations will be completed as well as the activities found in this workbook. An explanation of demonstrations and observations:

Demonstration is off-the-job

A demonstration will require:

- ➢ Performing a skill or task that is asked of you
- ➢ Undertaking a simulation exercise

Observation is on-the-job

The observation will usually require:

- ➢ Performing a work based skill or task
- ➢ Interaction with colleagues and/or customers

Your instructor will inform you of which one of the above they would like you to do. The demonstration/observation will cover one of the unit's elements.

The observation/demonstration will take place either in the workplace or the training environment, depending on the task to be undertaken and whether it is an observation or demonstration. Your instructor will ensure you are provided with the correct equipment and/or materials to complete the task. They will also inform you of how long you have to complete the task.

You should demonstrate that you can:

1. Identify and implement business legal requirements
2. Comply with legislation, codes and regulatory requirements
3. Negotiate and arrange contracts

You should also demonstrate the following skills:

- ➢ Reading
- ➢ Writing
- ➢ Oral Communication
- ➢ Numeracy
- ➢ Navigate the world of work
- ➢ Interact with others
- ➢ Get the work done

Activities

Activity 1A

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to identify and research possible options for the business legal structure using appropriate sources**
Activity	**1. Conduct your own research and document advantages and disadvantages in creating the types of legal structure detailed in this table.** *Outlined in Activity 1A regarding the types of legal structure are Sole trader and Proprietary limited company which both have their own requirements.* *The legal structure for Sole trader has its advantages and disadvantages. The advantages are that it easy to set up and maintain, complete control over the management and direction of your business, inexpensive, you own all your business's profits and assets, fewer government regulations, all profits to the Sole trader, easy to close, total privacy and non-disclosure of profits to the public. The disadvantages to the Sole trader are unlimited liability, money must be put aside for tax purposes, limited tax concessions, possible limit of expertise, lack of continuity, the business structure limits opportunities for expansion and growth, reliant on the one person that could be affected by sickness, holidays, retirement and death.* *In addition, for Proprietary limited company it too has its advantages and disadvantages.* *Firstly the advantages are limited liability, separate legal entity, organised control, shares are transferable, possible tax advantages and the ability to control authority of shareholders through the types of shares that are issued.* *The disadvantages are Government regulations which include annual returns to ASIC, possible taxation disadvantages, responsibilities of directors, charter restrictions, public disclosure and only allows a maximum of 50 non employee shareholders.* *Further, these are additional business legal structures* - *Company* - *Cooperative* - *Corporation* - *Partnership* - *Trust* - *Government owned enterprise* - *Profit or not for profit legal structure* *Each of these business legal structures have their own requirements that they must comply with.*

Activity 1B

Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to determine legislation and regulatory requirements affecting operations of the business under its chosen structure.**
Activity	**1. Report on your organisation or in accordance with directions from the instructor, the legislation and regulatory requirements affecting the operations of your business.** *Your company and its structure will determine the legislation and regulatory requirements.* *You must first identify your business's legal requirements. You must establish systems to ensure full compliance with the relevant legislations that apply to you and your business. This includes policies for safety, risk and hazard identification. These documents must be clearly stated and understood.* *You must follow the Consumer legislation (ACCC). To successfully do this, you must maintain a number of books, registers, accounts and records. It is important that these are kept for several years for financial records and for five years if they are non-company financial records. Further they must be available within a reasonable amount of time for inspection by an authorised person.* *You must operate your business with a duty of care. If you do not do this, you may be at risk of a civil claim being taken out against you; also known as torts. A tort is not a crime, it is described as an infringement against a persons individual rights.* *You must follow and comply with the Corporations Act 2001. This is what companies follow for financial reporting, registered schemes and disclosing entities.* *All Australian business can play a part in environmental management. However, depending on your business type will determine if and any laws, that will affect your business directly.* *There are some basic regulations that companies must follow. Firstly, you must lodge your company documents to the Australian securities and investment commissions also identified as ASIC.* *Secondly, for starting you must follow a step by step guide to register your company. By doing this you are creating a legal entity which all responsibility falls onto the individual.* *Thirdly, you must check and change company details.* *Fourthly, running which means that your duties as a company officeholder include notifying any changes to your company and reviewing your annual statement. In addition, you may also appoint a registered agent to act on your company's behalf.* *Lastly, closing which means that you can voluntarily deregister a company including winding up a solvent company. ASIC can also deregister a company in certain circumstances. Once a company is deregistered they control any assets it may still have.* *However, you can re-apply to ASIC to have a company reinstated to the register.*

Activity 1C

Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to develop and implement procedures to ensure full compliance with relevant legislation and regulatory requirements.**
Activity	**1. What methods are used to implement procedures to ensure full compliance with the relevant legislation and regulatory requirements governing your specific business operations?** **You may make reference to your answers in Question 1B.** *If you and your business fail to comply with the appropriate laws, that apply to your business. The ASIC may take action against you. This could include issuing a warning letter, obtaining a court order, taking a civil or criminal action against you and in other cases deregistering your company and taking ownership of the company's assets.* *As a business owner you are responsible for complying with the law and ensuring that the company meets its obligations. In addition, this ensures the integrity of the Australian financial system and will provide a level playing field for all businesses.* *By following the Australian securities and investment commission (ASIC), Australian consumer law (ACL), Consumer legislation (ACCC) and Corporations ACT 2001 to name a few. This will ensure you are free from unintentionally not complying within your company's limitations.* *You must be vigilant with your company and actively seek out and update your company when necessary. You must make sure you have the correct insurances and that they are current.* *It is the business owner's responsibility to make known to their employees what is expected of them and what they will gain themselves, from their role in your company. This is accomplished through contracts. It is important to outline in your employee contracts what their role is, what is expected of them and what is unacceptable. In addition, what their income is and the terms of their employment. It must be detailed and easy to understand.*

Activity 2A

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to establish systems to ensure legal rights and responsibilities of the business are identified and the business is adequately protected, specifically in relation to work health and safety (WHS), business registration and environmental requirements**
Activity	**1. Detail/report your company's systems to ensure the legal rights and responsibilities of the business are identified and the business is adequately protected.** *A system is a procedure, process or course of action designed to achieve a specific result.* *To ensure that your company is adequately protected you must implement and maintain good company systems. Company management tables are an effective way of detailing the roles and responsibilities.* *It should be clearly stated in the employee's contracts what their role is, their responsibilities, benefits and termination terms and conditions.* *An effective system can be broken down into six important elements.* *1. Process - Effective systems in store, office or in a factory setting. They must be well designed to your business, smooth running and use standard procedures customised to your business requirements and needs.* *2. Components - A system must have all the necessary components to function properly. These may include checklists, forms, reports, equipment, software, supplies.* *3. People - You and your employees must have appropriate training, incentives and accountability.* *4. Quality - Good systems have minimal mistakes, waste and re work that keeps costs down. They should meet or exceed customer specifications and expectations.* *5. Speed - They should run fast enough to deliver on schedule or by deadlines.* *6. Measurement - Continuous measurement and feedback for improvements that can be made by your business.* *By following these steps and by identifying your business's legal requirements and executing the appropriate systems to match will help keep your business alive and for it to reach its full potential.*

Activity 2B

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to identify taxation principles and requirements relevant to the business, and follow procedures to ensure compliance, and identify and carefully maintain legal documents and maintain and update relevant records to ensure their ongoing security and accessibility.**

Activity	**1. Define a sole trader, an incorporated company and a trust.** *<u>Sole Trader</u>* *A Sole Trader is a person who is the exclusive owner of a business and is entitled to keep all profits after tax has been paid but liable for all losses.* *<u>Incorporated Company</u>* *An incorporated company or in other words incorporating a business means turning your sole proprietorship or general partnership into a company formally recognised by your state of incorporation. When a company incorporates, it becomes its own legal business structure set apart from the individuals who founded the business.* *<u>Trust</u>* *A business trust is a form of business organisation on which is similar to a corporation, in which investors receive transferable certificates of beneficial interest. The trustees are administer it for the advantage of its beneficiaries who hold equitable title to it.* **2. What legal documents may you have to maintain?** *Under tax law, if you operate a business you must keep records and explain all transactions. Financial reporting for companies, registered schemes and disclosing entities in Australia is governed by the Corporations Act 2001.* *<u>Soler Trader</u>* *For a Sole Trader it is a legal requirement for tax purposes that you must keep records for at least five years for non-company financial records and seven years for financial records and most employee records. They can be kept electronically or paper copies. It is also recommended that they are stored in a safe and secure location and to keep a back-up of your records.* *<u>Incorporated Company</u>* *As a company, you are required to ensure that it keeps certain financial records to comply with the requirements of the corporations Act 2001. Financial records for companies must be kept for a minimum of seven years. The Act states, that the company must keep written financial records that record and explain its transactions and financial position and performance.* *<u>Trust</u>* *For Trust, you must keep the following records.* - *A copy of the trust* - *A copy of all trustee resolutions* - *Detailed statement of assets and liabilities* - *The names in which business contracts are made* - *Records that show you have met your choice of superannuation fund employer obligations* - *A record of the name and contact details of the trustee at year end* *If your trust incurs tax losses, you may need to keep records longer than fives years from the date when the losses were incurred.*

Activity 2C

Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to monitor provision of products and services of the business to protect legal rights and to comply with legal responsibilities and conduct investigations to identify areas of non-compliance with legal and regulatory requirements, and take corrective action where necessary**
Activity	**1. Suggest three options that could likely cause an error in compliance. For the areas identified, give your recommendations on ways to eliminate future occurrences.** *1. If you fail to keep personal and business finances separate from one another. This may result in not being able to make a clear difference between personal income and business finances.* *This can then lead to additional problems especially around tax time.* *To avoid and eliminate this problem, you must keep your personal and business finances separate.* *Additionally, you should document and plan out your business expensive. By doing this you can stay aware of whats coming and going, so that you can gain full control of your business's finances.* *2. Not having a clear vision for your business. Although it sounds simple, if you do not have a clear direction you may be setting up your business for failure.* *Before starting your business it is beneficial to define what your business is and what services it will provide.* *This will assist you in being able to identify and stick within your legal rights and limitations, so that you are not in breach of your legal responsibilities.* *3. Overlooking important legal requirements related to your business. In addition, not seeking legal advice in the early days of your business. This could result in paying higher tax, having your business registered under the wrong structure and more.* *To avoid all of this, it would be at the owners best interest to seek legal advice. Further, to seek legal advice for your business when required at any stage.*

Activity 3A

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to seek legal advice on contractual rights and obligations, if required, to clarify business liabilities, investigate and assess potential products or services to determine procurement rights and ensure protection of business interests where applicable**
Activity	***1.*** **In pairs, groups or individually list five contractual rights and obligations that could give cause to potential business liabilities.** *Possible contractual obligations may include* - *Purchase orders* - *Supply contracts* - *Exclusive agency agreements* - *Partnership agreements* - *Leases*

Activity 3B

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to seek legal advice on contractual rights and obligations, if required, to clarify business liabilities, Investigate and assess potential products or services to determine procurement rights and ensure protection of business interests where applicable.**
Activity	**1. List five products or services to determine procurement rights and ensure protection of the business interests where applicable.** *Procurement is the process of identifying and obtaining goods and services. This includes sourcing, purchasing and all activities from identifying potential suppliers right up to delivery from the supplier to costumers or the business itself.* *Here are five procurement rights* *1. Freight method, ensuring the integrity of the product by appropriate shipping methods.* *2. Required date, ensuring the goods turn up at the right time.* *3. Delivery address, ensuring the goods turn up at the place.* *4. Terms and conditions of purchase, ensuring the right price.* *5. Quality, to ensure that the goods are purchased from the right source.*

Activity 3C

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to negotiate and secure contractual procurement rights for goods and services including contracts with relevant people, as required, in accordance with the business plan**
Activity	**1. Create a five point plan on negotiating for securing contractual procurement rights for goods and services contracts.** *1. Contracts can be complex and it is important to completely understand the terms of a contract before you sign anything. This should be accomplished by identifying what your company's requirements are first before you seek out a supplier.* *2. Once you have identified what you want out of this business dealing which includes but not limited to* *- What products or services you want* *- How much of it you require* *- What you are willing to pay or what your financial limitations are* *- What your time frame and expectations are involving quality and delivery* *You can then meet and contact different suppliers to find the best prices and quality that suit your business.* *3. Once you have decided on a supplier that you would like to go with, you then communicate in great detail through a proposed contract what you want from their services.* *This includes but not limited to* *- Definitions of key terms used within the contract* *- A description of the goods and services* *- Payment details and terms* *- Key dates and milestones* *- Required insurance and indemnity* *- Guarantee provisions including damage or penalty provisions* *- Warranty periods for defective goods and services* *- Termination conditions and exclusion clauses* *Written agreements with suppliers minimise disagreements about each party's rights and responsibilities. That is why, it is vital to seek legal advice throughout this process.* *4. Once you have a proposed contract that is not signed yet. It is beneficial to seek legal advice from an experienced lawyer that specialises in business law. They will be able to identify anything else that might need to be added or removed from the contract thats in your best interest. In addition, this will allow you to enter this contract with profound understanding.* *5. After you have sort legal advice and made alterations if necessary, all parties are required to sign. Making this a legal contract that must be complied with from all parties involved.*

Activity 3D

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to identify options for leasing/ ownership of business premises and complete contractual arrangements in accordance with the business plan**
Activity	**1. What would be your choice, to either lease or purchase premises for a small business in your capital city, and why?** *My choice would be to lease a premises. The reason behind this, is that a lease does not have to be a long-term financial commitment. Which I believe would be more beneficial in the early days of starting my new business, as it would be more manageable to obtain and run with flexible terms, by doing this I hope it will allow time to develop and grow my business.*

Activity 4A

Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to identify potential internal and external risks to the business**
Activity	**1. Give examples of internal and external risks that may affect your organisation.** *Internal risks that may have an impact on your company are human factors, technology and physical factors. Some external risks are economic changes, natural disasters and political factors.*

Activity 4B

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to assess the probability and impact of identified risks**
Activity	**1. For each risk you identified in Activity 4A, assess its probability and impact.** *For internal I have human factors, technology and physical factors.* *Human factors, I have identified this risk's probability as likely and its impact as catastrophic.* *Technology, I have identified this risk's probability as likely and its impact as moderate.* *Physical factors, I have identified this risk's probability as likely and its impact as moderate.* *For external factors I have economic changes, natural disasters and political factors.* *Economic changes, I have identified this risk's probability as likely and its impact as major.* *Natural disasters, I have identified this risk's probability as possible and its impact as catastrophic.* *Political factors, I have identified this risk's probability as likely and its impact as major.*

Activity 4C

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to prioritise risks for treatment**
Activity	**1. Create probability-impact matrix and determine which risk has the highest priority.** *According to my probability-impact matrix the risk of human factors has the highest priority. [Please see page 23 that is where table is, it did not fit into this space]*

Activity 4D

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to develop actions to mitigate risks including identifying insurance requirements and adequate cover**
Activity	**1. You are about to take out an insurance policy. Thinking about the likely risks to your business, suggest the approach and cover you would likely use to insure against the following risks.** *Some of the risks I have identified are human factors and natural disasters.* *For human factors I would choose public liability insurance and comprehensive insurance for vehicles and property. This would cover me in the event of death, injury, loss or damage to property.* *For natural disasters I would choose contract works insurance. This would cover work that has already been started in the event of fire, flood, storm, vandalism and theft.* *A voluntary insurance would be income protection insurance which will assist me if I am unable to work due to sickness and or injury.*

Skills and Knowledge Activity

Estimated Time	**60 Minutes**
Objective	**To provide you with an opportunity to demonstrate your knowledge of the foundation skills, knowledge evidence and performance evidence.**

Activity	**Complete the following individually and attach your completed work to your workbook.** The answers to the following questions will enable you to demonstrate your knowledge of: ➢ Reading ➢ Writing ➢ Oral Communication ➢ Numeracy ➢ Navigate the world of work ➢ Interact with others ➢ Get the work done ➢ Outline business registration and licensing requirements ➢ Identify commonwealth, state/territory and local government legislative requirements relating to business operation ➢ Explain creation and termination of relevant legal contracts ➢ Summarise relevant cultural differences and legal implications ➢ Describe legal rights and obligations of alternative ownership structures ➢ Outline necessary record keeping to meet minimum legal and taxation requirements ➢ Summarise relevant consumer legislation and industry codes of practice ➢ Outline the key steps in the risk management process ➢ Explain relevant insurance requirements and products **1. What texts may you have to read to assess the legal and risk management requirements of the business?** **2. What reports and workplace documentation may you have to write?** **3. What skills are needed to communicate effectively during communications?** **4. What information might you need to determine insurance costs?** **5. What are organisational policies which may apply to your ethical behaviour?** **6. Why may you need to seek legal advice?** **7. What sort of information may you need to store securely?** **8. What are the benefits of being on the Australian Business Register (ABR)?** **9. What local, state/territory, commonwealth and international legislation, regulations and codes of practice may affect business operations?** **10. What elements must be present for a legally enforceable contract?** **11. How can you manage diversity and cultural differences within a workplace?** **12. What alternative ownership structures exist?** **13. What records will you need to keep in order to meet taxation regulation?** **14. What is the purpose of the Australian Competition and Consumer Commission?** **15. How would you assess risks within an organisation?** **16. What insurance requirements may your organisation have?**

Major Activity

Estimated Time	**60-120 Minutes**
Objective	**To provide you with an opportunity to demonstrate your knowledge of the entire unit.**
Activity	**This is a major activity – your instructor will let you know whether you will complete it during class or in your own time.** **Attach your completed answers to the workbook.** You must individually, answer the following questions in full to show your competency of each element: 1. Identify and implement business legal requirements 2. Comply with legislation, codes and regulatory requirements 3. Negotiate and arrange contracts 4. Identify and treat business risks

1. Which business legal structure do you believe is the most appropriate? Note the positive and negative aspects of your chosen structure in relation to your business needs.

The business structure that I find most appropriate is Sole trader.
Some positive aspects are that it is easy to set up, all profits go to the Sole trader and total privacy.
Some negative aspects are that it is reliant on one person who could be affected by sickness, holidays, retirement and death and possible limit of expertise.
This relates to me as a sole trader, as I will have to work within these aspects.

2. What kind of permissions do you need to secure and maintain for your business?

You must comply with the Corporations Act 2001. It is a requirement to keep books, registers, accounts and records. These are required for seven years if they are financial records and for five years if they are non-company financial records.
You must follow the appropriate health and safety regulations that apply to your business.
You must comply with the legislation, codes and regulatory requirements regarding taxes.

3. Pick three elements of general reporting on Section 1.3 of the Learner Guide and explain them in the context of your company, describing what you need to do in order to satisfy this requirement.

Three elements from section 1.3 from the Learner Guide that I was supplied with are
1. *Maintain a register of its members*
2. *Keep a record of all directors and members*
3. *Record all meetings minutes and resolutions*

Because I am registered as a Sole trader, I am able to keep my TFN (tax file number) and will be the sole business owner. However, if I was operating as a partnership, company or trust, I would have to register a separate TFN for the business.

4. What measures do you have in place regarding WHS policies and procedures? Explain why they are effective. If your company has not yet been opened or established, write about what you may need to implement and why.

As a Sole trader, it is my responsibility to ensure my work practices do not cause harm or effect the health and safety of any contractors I may work with, my clients and other people in the area.
I will do this by purchasing and reading the SOLE TRADER WHS MANAGEMENT SYSTEM.

Then apply this knowledge to my work.
This is a reduced version of the complete WHS Management System, without many of the documents required for managing workers.
However, if my business develops. I will upgrade to the full version of the WHS Management System and change my systems accordingly.

5. Which description in section 2.2 of the Learner Guide applies to your business? Explain how this works in relation to your business.

The description I have chosen from section 2.2 of the supplied Learner Guide is, Comply with legislation, codes and regulatory requirements. As a Sole traders I need to be aware of my tax requirements, so that it is done correctly. Sole traders are taxed as individuals and pay income tax at personal rates. In addition, I will need to register my business for goods and services tax if my annual turnover is expected to be more than $75,000.

6. What kind of records do you keep in relation to finance? Explain why each system you use is appropriate for your needs.

The records I will need to keep that relates to my finances are accounts (tax invoices for clients and business dealings), cash receipt book (this records all money coming in), accounts payable (money you owe to others), cheque book (records cheques you wrote, to whom, what for and when) and possibly a petty cash book. These records are essential for keeping track of all finances and for tax purposes.

7. What legislation may affect any contracts associated with the running of your business?

Some legislations that may affect your business are the Australian Consumer Law (ACL), Fair Work Act 2009 and the Commonwealth Independent Contractors Act 2006.

8. What measures could you put in place to detect incidences of non-compliance?

Generally speaking you can put security cameras up. It would also be beneficial to take corrective actions, monitor and reviewing the business's activities. It is essential that you make sure your policies and procedures are easy to understand and are up to date.

9. What can you do to ensure legal co-operation with contractual rights and obligations?

You can seek legal advice on what you must comply with such as licences and registrations, contracts and leases.

10. What systems can you implement to ensure you are sourcing the right item, from the right supplier at the right time?

You can add these terms and conditions into your contract in great detail, of what you want and your expectations. Further, you must first identify what product you want and what your time restrictions are.

11. Through the general running of your business, who can you expect to have contracts with? How does each person or company fit into your business plan?

When my business becomes established I can expect to have contracts with people who hire my services, any employees I may hire. I can also expect to have contracts with companies I plan to get my supplies and products from. This fits into my business plan because without being able to set up a supplier, I will not be able to seek out work or companies to hire my services. In addition, contracts allow parties involved to know what is expected of them and by signing they agree.

12. Is renting or buying more ideal for your business needs? Explain why and how you made this decision and detail the options that are available to you in this endeavour.

Renting would be more ideal for my business. I came to this decision because I am only starting out and it would be a better finical decision for me to make, as it does not have a long-term financial commitment.

13. What is the difference between internal and external threats?

The difference between internal and external threats, are that internal threats come through the organisations normal processes such as human factors, technology and physical factors. External risks are ones that impose the business from without, such as economic changes, natural disasters and political factors.

14. What are likely or certain risks within your business?

I have identified human factors, technology, physical factors, economic changes and political factors as likely.

15. How can you prioritise risks?

One way of prioritising risks is to create a probability-impact matrix and determine from that which risk has the highest priority.

16. What compulsory insurance must you obtain in order to run your business? What extra or voluntary insurance could you also get, and why?

Compulsory insurances may include comprehensive insurance for vehicles and property and public liability insurance. A voluntary insurance would be income protection insurance which will assist you if you are unable to work due to sickness or injury.

1. Create probability-impact matrix and determine which risk has the highest priority.

	Minor (0.2)	Moderate (0.4)	Major (0.6)	Catastrophic (0.8)
Certainly (0.1)	0.2	0.4	0.6	0.8
Likely (0.3)	0.6	0.12 (Technology) (Physical factors)	0.18 (Economic changes) (Political factors)	0.24 (Human factors)
Possible (0.5)	0.1	0.2	0.3	0.4 (Natural disasters)
Unlikely (0.7)	0.14	0.28	0.42	0.56
Highly unlikely (0.9)	0.18	0.36	0.54	0.72