

Name:

Date:

Class:

Lesson 16.1

Practice Your Understanding

1. You have decided to open We Wash and Wax, a carwash and detailing business in your community. For each of the following, determine whether the risk is controllable or uncontrollable. (16.1-1)

- a. A new carwash opened three months after your business opened.

Answer:

- b. An employee had a car accident with a customer's car.

Answer:

- c. The carwash automated equipment broke, and you had to turn away 20–30 customers.

Answer:

- d. A recession has occurred, and you are experiencing a loss of business.

Answer:

2. You own a landscaping business and are listing the four different types of risks which is helping you monitor and manage the risks. Assess whether each of the following statements refers to a natural, human, economic, or market risk. (16.1-2)

- a. A competitor reduced how much they charge to mow yards.

Answer:

- b. The rental garage where you store your equipment was broken into, and two of your mowers were stolen.

Answer:

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- c. Your equipment needs a part, but the part is made in Mexico, and you cannot determine how much the part will cost with new tariffs on goods coming into the country.

Answer:

- d. After you left work, a fire started in the garage, and you suffered substantial damage to the building and your equipment.

Answer: