



[Summary]

Statistical Tools to Handle Risk

Subject:	Business Economics
Course:	B. A. (Hons.), 5 th Semester, Undergraduate
Paper No. & Title:	Paper – 551 Elective PaperP1 – Project Management
Unit No. & Title:	Unit – 3 Incorporating Risk in Projects
Lecture No. & Title:	Lecture – 2 Statistical Tools to Handle Risk

Summary

Risk refers to the chance that some unfavorable event might occur. No project should be undertaken unless the expected rate of return is ascertained in an environment of uncertainty, business operates and managers can never be sure about what might happen in the future. The various types of risk encountered during project financing are project risk, credit risk, Commercial risk etc. Different methods helpful to the evaluator enable them to take sound and wise decision based on their data and evaluation techniques. In this way in-depth understating of the project reduces chances for termination and abandonment.