From the video in the Learning Activity “2008 U.S. Financial Market Collapse,” list the four causes of the crisis.

According the video the first this was

1. The wake of the dot com bust in sept 2011 the Federal Reserve lowered the interest rate to 1 % this made big money look for other opportunities. This also allows very cheap credit so borrowing money became easy for banks and they go crazy with leverage.
2. The invention of CDO’s using high risk loans.
3. The invention of Sub-prime mortgages resulting in defaulted loans, The end result is housing prices fall.
4. People who were paying decide to default also because they are now deeply upside down.
5. Everyone goes bankrupt…

Conduct additional research and provide two other situations that were the result of the lack of risk management.

1. The OPEC platform in the Gulf was directly resulted from lack of risk management and shortcuts. In the end three firms were held responsible basically the builders of the platform and the owners who all skipped steps to hurry production.
2. The Savar building in Bangladesh. Workers were told to go back to work after finding cracks all over in the concrete walls, the building collapsed and killed 1100 people

For each situation, list two ways that the risk could have been mitigated.

1. A. Safety protocols should have been followed. B. Concrete inspections should have been performed and concrete that was not satisfactory should have been replaced. C. A plan should have been in place for such an event.
2. A. The people should have never been required to return to work. B. Inspections of the building should have been done on a regular basis and repair performed. C. There should have been accountability and quality assurance in place during construction of the building.

As technology continues to grow, this opens up the possibility of new risks. Do you think the benefits of technology outweigh the risks? Why or why not?

Yes the benefits out way the risk. The biggest reason is the survival of the species. Estimates say the earth will easily reach its population max in the 21rst century. Problem such as global warming, hunger, medical needs and others requires innovation. Technology is necessary for innovation.