

PMP - Risk

1. Which knowledge area process attempts both to increase the probability and impact of favourable events and to decrease the likelihood and effect of events that can have adverse consequences on the project ?
 - A. Project Quality Management
 - B. Project Risk Management
 - C. Project Procurement Management
 - D. Project Integration Management
2. In the Project Risk Management knowledge area, the initial risk register is produced during the _____ process.
 - A. Plan Risk Management
 - B. Identify Risks
 - C. Perform Qualitative Risk Analysis
 - D. Perform Quantitative Risk Analysis
3. During which Project Risk Management knowledge area processes can the risk register be updated ?
 - A. Plan Risk Management, Identify Risk, and Perform Qualitative Risk Analysis
 - B. Identify Risk, Perform Qualitative Risk Analysis and Perform Quantitative Risk Analysis
 - C. Perform Qualitative Risk Analysis, Perform Quantitative Risk Analysis, Plan Risk Responses, and Monitor and Control Risks
 - D. Identify Risk, Plan Risk Response. and Monitor and Control Risks
4. Your project used linear values of 0,1, 0.3, 0.5, 0.7 and 0.9 in analyzing the probability and impact of risks. The values correspond to very low, low, moderate, high, and very high, respectively. A project risk with a moderate probability and a high impact will have a risk rating of _____.
 - A. 1.20
 - B. 0.71
 - C. 0.20
 - D. 0.35
5. The Identify Risks process uses several tools and techniques. Which information gathering technique would be most appropriate if you need to work primarily with subject matter experts to identify the project risks ?
 - A. Brainstorming
 - B. Delphi technique
 - C. Interviewing
 - D. Root cause analysis
6. Your project used linear values of 0.1, 0.3, 0.5, 0.7 and 0.9 in analyzing the probability and impact of risks. From the following list of descriptions, which will most likely be assigned to the values respectively ?
 - A. Moderate, neutral, average, high and void
 - B. Low, medium, high average, and very low
 - C. Very low, low, moderate, high, and very high
 - D. Very high, high, moderate, low, and very low
7. Using decision tree analysis, you calculated that Project A has an expected monetary value (EMV) of \$65,000. In contrast, Project B has an EMV of \$75,000. Which project is a better option ?
 - A. Project A, because it has a lower EMV
 - B. Project B, because it has a higher EMV
 - C. Neither project, because the difference in EMV is not significant
 - D. Both, in order to maximize the results
8. Given a false decision node with a cost of \$-50M with scenario probabilities of A (55%, \$100M) and B (45%, \$25M), what is the EMV for this decision node ?
 - A. 0.00
 - B. 16.25
 - C. 66.25
 - D. 75.00

9. Given a false decision node with a cost of \$-50M with scenario probabilities of A (55%, \$100M) and B (45%, \$25M), what are the net path values for A and B, respectively ?
- A. \$27.50M and \$-11.25M B. \$50.00M and \$-25.00M
C. \$55.00M and \$11.25M D. \$72.50M and \$2.50M
10. Which of the following risk response strategies are appropriate for negative risks or threats ?
- A. Avoid, transfer, and/or mitigate B. Exploit, share and/or enhance
C. Avoid, transfer, and/or recognize D. Share, enhance, and/or recognize
11. Which risk response strategies are appropriate for positive risks or opportunities ?
- A. Avoid, transfer, and/or mitigate B. Exploit, share, and/or enhance
C. Avoid, transfer, and/or recognize D. Share, enhance, and/or recognize
12. Which risk response strategy can be applied to both negative risks (threats) and positive risks (opportunities) ?
- A. Mitigate B. Exploit C. Share D. Accept
13. Which of the following statements best characterizes residual risks and secondary risks ?
- A. Secondary risks arise if the risk response generated a residual risk that is much larger than the original risk that was identified in the risk register.
B. Secondary risks remain after the implementation of planned responses, whereas residual risks arise as a direct outcome of implementing a risk response.
C. Residual risks remain after the implementation of planned responses, whereas secondary risks arise as a direct outcome of implementing a risk response.
D. Risk response strategies for negative risks or threats generate residual risks, whereas positive risks or opportunities result in secondary risks.
14. In the middle of your project, you noticed that some risks positively and negatively impacted your budget and schedule contingency. What do you need to perform to determine if you have adequate contingency to cover the remaining project risks ?
- A. Risk reassessment B. Risk audits C. Variance and trend analysis D. Reserve analysis
15. The following lists contain outputs of the Monitor and Control Risks process except for _____
- A. Risk register updates and change requests
B. Project management plan updates and change requests
C. Organizational process assets updates and project management plan updates
D. Risk register updates and risk-related contract decisions
16. The previous project manager left you a spreadsheet that summarized uncertain events with the following columns : probability, impact, priority and ownership. You are most likely looking at what type of document ?
- A. Risk register B. Requested changes C. Recommended corrective actions
D. Recommended preventive actions
17. The set of project management activities including identification analysis, planning responses, and monitoring and controlling of risks in the project is part of carrying out _____

- A. Risk identification
- B. Project risk analysis
- C. Project risk management
- D. Project risk mitigation

18. Most of the project risk management processes are performed as part of which process group
A. Closing B. Executing C. Initiating D. Planning

19. The project director advises you that a project should have a balance between risk taking and risk avoidance. This policy is implemented in a project using which of the following ?
A. Risk responses B. Risk analysis C. Risk identification D. Risk classification

20. One of the tools used to manage risk in a project is a table showing the various thresholds for different levels of risks in the project. What is this table called ?
A. Risk register B. Probability and impact matrix C. Issues log D. Impact scales

21. Who is responsible for identifying risks in a new project ?
A. Project manager B. Project sponsor C. Any project personnel D. The main stakeholders

22. What is the document that contains a list of identified risks, responses to the risks, the root cause of the risk, the risk category, and additional information about the identified risks called ?
A. Risk management plan B. Project issues log C. Risk-related contract decisions D. Risk register

23. As part of your responsibility for managing risks in your project, you rate risks as low, medium or high. What tool would you typically use to define these ratings ?
A. Probability impact matrix B. Risk register updates
C. Assumption analysis D. Checklist analysis

24. A new member of your project team suggests that you use a specific technique for quantitative risk analysis. She says that you should calculate information on the lowest, highest and most likely costs of the WBS elements in the project plan. This technique is an example of _____.
A. Three-point estimates for costs B. Probability and impact assessment
C. Probability distributions D. Sensitivity analysis

25. What is the process of project planning that involves developing options, determining actions to enhance opportunities, and reducing threats to project objectives called ?
A. Perform qualitative risk analysis B. Plan risk responses
C. Perform quantitative risk analysis D. Probability impact matrix

26. You have been given responsibility for developing a risk register for your project. Through which process is this document created ?
A. Plan Risk Responses B. Perform Quantitative Risk Analysis
C. Identify Risks D. Perform Qualitative Risk Analysis

27. A common risk management strategy is to shift the negative impact of a threat, and ownership of the response, to a third party. What is the technique called ?

- A. Exploit B. Avoid C. Mitigate D. Transfer

28. Your team is developing a part of the risk management plan. For some of the risks, the team decides that a response plan will be executed only when certain predefined conditions exist. What is the term given to this type of risk strategy ?

- A. Contingent B. Sharing C. Exploit D. Enhance

29. You are managing risk of a project using the risk management plan. How often should you monitor the project work for new and changing risks ?

- A. At the beginning of a project planning B. Continuously throughout the project lifecycle
C. At the beginning of each project phase D. At the end of each project phase

30. Information such as identified risks, risk owners, agreed responses, actions, warning signs and a watch list of low-priority risks are examples from which of the following ?

- A. Risk management plan B. Approved change requests
C. Risk register contents D. Work performance information

31. Identifying and documenting the effectiveness of risk responses in dealing with identified risks and the root causes, and of the effectiveness of the risk management process, is called a _____

- A. Risk mitigation B. Risk identification C. Risk analysis D. Risk audit

32. A consultant has been reviewing outputs that resulted from carrying out the Monitor and Control Risks process. She lists a number of actions that are required to bring the project into compliance with the project management plan. What are these actions called ?

- A. Recommended preventive actions B. Risk register updates
C. Recommended corrective actions D. Project management plan updates

33. Which one of the following is the best way to prepare a response to unknown risks ?

- A. Ignore them
B. Prepare a risk response
C. Plan to treat them the same way as the known risks
D. Allocate management reserves against them

34. Which of the following statement is false about risk management plans ?

- A. Risk management plan is a subset of the project management plan
B. The Plan Risk Management process produces the risk management plan as an output
C. The risk management plan should be updated frequently
D. Risk management plans may include budgeting, timing and tracking details

35. Which of the following techniques is used in the Identify Risks process ?

- A. WBS B. Delphi C. Decomposition D. Structured analysis

36. A risk register typically contains the following except _____

- A. List of potential responses B. Result of root cause analysis
C. Work breakdown structure D. List of identified risks

37. Which of the following risk categorization grouping criteria leads to the most effective risk responses ?
A. Root causes B. Source of risk C. Areas of WBS D. Project phase
38. In quantitative analysis and modeling, sensitivity analysis will typically use a (n) _____ to compare the relative importance and impact of variables with a high degree of uncertainty against variables that are more stable.
A. Decision tree diagram B. Tornado diagram
C. Expected monetary value D. Control chart
39. In any project, risks can be negative (threats) or positive (opportunities). Which of the following is not a strategy for dealing with negative risks ?
A. Exploit B. Mitigate C. Avoid D. Transfer
40. In any project, risks can be negative (threats) or positive (opportunities). Which of the following is not a strategy for dealing with positive risks ?
A. Exploit B. Enhance C. Share D. Increase
41. Which of the following is an input to the Monitor and Control Risks process ?
A. Updated WBS B. Project management plan
C. Change requests D. Project organization chart
42. Which of the following is not an input, tool or technique used in risk monitoring and control ?
A. Status meetings
B. Project staff rewards scheme
C. Variance and trend analysis
D. Technical performance measurement

Answer : Risk

1.	B
2.	B
3.	C
4.	D
5.	B
6.	C
7.	B
8.	B
9.	B
10.	A
11.	B
12.	D
13.	C
14.	D
15.	D
16.	A
17.	C
18.	D
19.	A
20.	B
21.	C
22.	D
23.	A
24.	A
25.	B
26.	C
27.	D
28.	A
29.	B
30.	C
31.	D
32.	A
33.	D
34.	C
35.	B
36.	C
37.	A
38.	B
39.	A
40.	D
41.	B
42.	B