PMI® Exam Preparation Workshop

Project Risk Management Questions

177. The major processes of Project Risk Management are:

a) Plan Risk Management, Identify Risks, Assess Risks, Mitigate Risks, Transfer Risks, and Document outcomes.

b) Identify Risks, Plan Risk Management, Evaluate Risks, Develop Risk Responses, Mitigate Risks, and Document results.

c) Identify Risks, Perform Qualitative Risk Validation, Perform Quantitative Impact Assessment, Develop Risk Response Strategies, Document Response Strategies, and Monitor Risk Responses.

d) Plan Risk Management, Identify Risks, Perform Qualitative Risk Analysis, Perform Quantitative Risk Analysis, Plan Risk Responses, and Control Risks.

178. To be successful, the organization should be committed to addressing risk management:

a) Just in time before a meeting with major stakeholders of the project.

b) Proactively and consistently throughout the project.

c) As soon as time and cost estimates are ready.

d) As early as possible in the execution phase.

179. Strategies typically used to deal with threats or risks that may have negative impacts on project objectives if they occur include all of the following EXCEPT:

a) Interpret.

b) Avoid.

c) Transfer.

d) Mitigate.

180. Risk transference nearly always involves:

a) Eliminating risk through beta testing.

b) Policies and procedures for a response system.

c) Accepting a lower profit if some activities overrun their budget.

d) Payment of a risk premium to the party taking on the risk.

181. In Plan Risk Reponses process, an accept strategy indicates that the project team has decided:

a) To agree with the project manager.

b) To eliminate a specific risk or threat, to reduce the probability and/or impact of an adverse risk event to be within acceptable threshold limits or to pursue an opportunity actively.

c) Not to change the project management plan to deal with a risk, or is unable to identify any other suitable response strategy.

d) To purchase insurance or to require performance bonds, warranties, and guarantees.

182. The primary output of the Identify Risks process is:

a) Risk register.

b) Expected monetary value of the risk events.

c) List of corrective actions.

d) Risk mitigation plan.

183. A thorough analysis of the _____ will help to identify potential risks to the project.

a) Risk identification checklist based on historical information and knowledge.

b) Project's change control system.

c) Project's mission statement.

d) Project's schedule and budget.

184. All of the following are inputs to the Identify Risks process EXCEPT:

a) Risk management plan.

b) Scope baseline.

c) Workaround plan.

d) Quality management plan.

185. Outputs from Plan Risk Responses process include all of the following EXCEPT:

a) Risk register updates.

b) Corrective actions.

c) Project documents updates.

d) Project management plan updates.

186. Tools and techniques of the Perform Quantitative Risk Analysis process are:

a) Contracting, contingency planning, alternative strategies, and insurance.

b) Interviewing, historical results, workarounds, and response development.

c) Checklists, damage control reports, standard allowances, and inspection.

d) Data gathering and representation techniques, and quantitative risk analysis and modelling techniques, and expert judgment.

187. As an output of the Perform Quantitative Risk Analysis process, the risk register is updated. These updates include:

a) Prioritized list of quantified risks.

b) Qualitative analysis of the threats to ignore and opportunities to accept.

c) Checklists, corrective actions, and quantified decision trees.

d) Direction, resources, and contingency costs.

188. Risk impact assessment to investigate the potential effect on a project objective such as schedule, cost, quality, or performance has the following characteristics EXCEPT:

a) Evaluation of each risk can be conducted using a probability and impact matrix that leads to rating the risks as low, moderate, or high priority.

b) Approaches used in evaluating risk impacts related to project objectives could be relative, numeric, linear, or nonlinear.

c) Usually, risk-rating rules are specified by the organization in advance of the project and can be tailored to the specific project.

d) The impact on project objectives should be assessed primarily at the end of the project, as part of the lessons learned.

189. The outputs from Control Risks process include all of the following EXCEPT:

a) Project documents updates.

b) Work breakdown structure (WBS).

c) Change requests.

d) Project management plan updates.

190. The Delphi technique has all of the following characteristics EXCEPT:

a) It is a way to reach a consensus of experts on a subject such as project risk.

b) It is a technique in which project risk experts participate anonymously.

c) It helps reduce bias in the data and keeps any one person from having undue influence on the outcome.

d) It is based on an ancient Greek technique to ensure that actions of subordinates are aligned with the vision of senior executives.

191. The risk rating:

a) Is calculated by multiplying the probability of the occurrence of a risk times its impact (numerical scale) on an objective (e.g., cost, time, scope, or quality) if it were to occur.

b) Is the sum of squares of the scale values assigned to the estimates of probability and impact.

c) Cannot be used to determine whether a risk is considered low, moderate or high.

d) Is a commonly used technique for risk avoidance.

192. Sensitivity analysis:

a) Examines the extent to which the uncertainty of project objectives affects each project element simultaneously.

b) Examines the extent to which the uncertainty of each project element affects the objective being studied when all other uncertain elements are held at their baseline values.

c) Is a method for assessing stakeholders' tolerance to risk.

d) Cannot be used to determine which risks have the most potential impact on the project.

193. All of the following are characteristics of a decision tree EXCEPT:

a) A decision tree is a diagramming and calculation technique for evaluating the implications of a chain of multiple options in the presence of uncertainty.

b) Decision tree analysis is a risk analysis tool, which can be used to choose the most appropriate responses.

c) A decision tree is primarily a graphical, qualitative risk analysis technique and is not generally used in quantitative risk analysis.

d) Decision tree analysis uses expected monetary value (EMV) analysis to calculate the average outcome when the future includes scenarios that may or may not happen.

194. The risk management plan generally includes all of the following EXCEPT:

a) Methodology.

b) Definitions of risk probability and impact.

c) Responses to individual risks.

d) Probability and impact matrix.

195. The Perform Qualitative Risk Analysis process assesses the priority of identified risks using all of the following EXCEPT:

a) Relative probability or likelihood of occurrence of identified risks.

b) Impact on project objectives if the identified risks occur.

c) A mathematical technique, such as expected monetary value (EMV), to create the impression of precision and accuracy.

d) The organization's risk tolerance associated with the project constraints of cost, schedule, scope, and quality.

196. As an output of the Control Risk process, an updated risk register generally includes some or all of the following EXCEPT:

a) The work breakdown structure (WBS).

b) Outcomes of risk reassessments, risk audits, and periodic risk reviews.

c) Identification of new risks, updates to probability, impact, priority, response plans, ownership, and other elements of the risk register.

d) Actual outcomes of the project's risks and of the risk responses.

197. Expected monetary value (EMV) analysis has all of the following characteristics EXCEPT:

a) It is a statistical concept that calculates the average outcome when the future includes scenarios that may or may not happen.

b) The EMV of opportunities are generally expressed as positive values, whereas those of threats are expressed as negative values.

c) EMV analysis cannot be used effectively in decision tree analysis unless a risk-averse assumption is made.

d) EMV for a project is calculated by multiplying the value of each possible outcome by its probability of occurrence, and adding the products together.

198. SWOT Analysis has all of the following characteristics EXCEPT:

a) It is a technique that examines the project from each of the strengths, weaknesses, opportunities, and threats (SWOT) perspectives to increase the breadth of identified risks by including internally generated risks.

b) It identifies strengths and weaknesses of the organisation, regardless of the specific project or general business area.

c) It identifies any opportunities for the project that arise from organizational strengths, and any threats arising from organizational weaknesses.

d) It examines the degree to which organizational strengths offset threats, as well as identifies opportunities that may serve to overcome weaknesses.