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QUESTION 1

An organization that spans across different countries undergoes a digital transformation project. The project manager has assigned a risk management team leader who is a risk management certified candidate in their domain.

What should the risk management team leader do in the early stages of the project?

A. Conduct qualitative risk analysis to prioritize potential risks.

B. Plan a solid risk response plan and secure the necessary funding.

C. Educate stakeholders on best practices to perform risk management.

D. Benchmark to an organization which has executed a similar project,

Correct Answer: C

Explanation: In the early stages of a project, the risk management team leader should conduct qualitative risk analysis to prioritize potential risks. This will help the team to focus on the most significant risks and develop appropriate risk response strategies. According to the PMI-RMP Handbook, the early stages of the project are the best time to establish the risk management plan, which is a document that describes how risk management activities will be structured and performed on the project. It is one of the main outputs of the Plan Risk Management process. The risk management plan should be developed with the involvement and input of key stakeholders, such as the project sponsor, customer, team members, subject matter experts, and other relevant parties. The risk management plan should also define the roles and responsibilities of the stakeholders in risk management, as well as the reporting and escalation mechanisms. The risk management team leader, who is a risk management certified candidate in their domain, should educate stakeholders on best practices to perform risk management in the early stages of the project. This is because the stakeholders may have different levels of knowledge, experience, and expectations regarding risk management, especially in an organization that spans across different countries. The risk management team leader should provide training, coaching, and guidance to the stakeholders on how to apply the risk management processes, tools, and techniques, as well as how to use the risk management plan. The risk management team leader should also promote a positive risk culture and encourage stakeholder participation and collaboration in risk management activities. The other options are not valid for what the risk management team leader should do in the early stages of the project: Conduct qualitative risk analysis to prioritize potential risks: This is not a valid option because the qualitative risk analysis is part of the Perform Qualitative Risk Analysis process, which comes after the Identify Risks process and before the Perform Quantitative Risk Analysis process. The risk management team leader should not conduct the qualitative risk analysis before developing the risk management plan and identifying the risks. Plan a solid risk response plan and secure the necessary funding: This is not a valid option because the risk response plan is part of the Plan Risk Responses process, which comes after the Perform Qualitative Risk Analysis and Perform Quantitative Risk Analysis processes. The risk management team leader should not plan the risk response plan and secure the necessary funding before developing the risk management plan, identifying, and analyzing the risks. Benchmark to an organization which has executed a similar project: This is not a valid option because benchmarking is a technique for risk identification, but it is not the only one. The risk management team leader should use a combination of techniques to identify risks, not just focus on one aspect. Also, benchmarking is not the same as educating stakeholders, which implies providing training, coaching, and guidance on risk management best practices. References: PMI-RMP Handbook1, PMBOK Guide2, Practice Standard for Project Risk Management2

QUESTION 2

You are the project manager of the GGK project for your company. The GGK project has a budget of $1,265,100 and is currently 40 percent complete. In this project, you elected to add labor to the project to increase the likelihood of completing the project early as the project was only scheduled to be 35 percent complete at this time. This positive risk response, while keeping the project ahead of schedule, has added significant costs to the project. You have already

spent $575,000 to reach this point in the project. Management would like to know what your cost performance index and the schedule performance index is for this project. What are these values?

A. The CPI is -$68,960 and the SPI is $63,255.

B. The CPI is .88 and the SPI is zero.

C. The CPI is .88 and the SPI is 1.14.

D. The CPI is 1.14 and the SPI is .88.

Correct Answer: C

QUESTION 3

What is an example of legal and regulatory requirements and/or constraints when assessing a project environment for threats and opportunities?

A. Organizational communication requirements

B. Organizational standard policies, processes, and procedures

C. Formal knowledge sharing and information sharing procedures

D. Confidentiality of project information

Correct Answer: D

Explanation: Legal and regulatory requirements and constraints when assessing a project environment for threats and opportunities may include ensuring the confidentiality of project information, as this is often governed by laws and regulations. Legal and regulatory requirements and/or constraints are external factors that can affect the project environment and influence the risk management process. They may include laws, regulations, standards, codes, permits, licenses, contracts, or agreements that the project must comply with or adhere to. Confidentiality of project information is an example of such a requirement or constraint, as it may limit the disclosure, sharing, or access of project data, documents, or reports to authorized parties only. Violating confidentiality may result in legal actions, penalties, or reputational damage for the project and the organization. Therefore, the project manager and the risk management team must identify and comply with the confidentiality requirements and/or constraints when assessing the project environment for threats and opportunities. References: PMI, 2019. Practice Standard for Project Risk Management. Newtown Square, PA: Project Management Institute, Inc., p. 181

QUESTION 4

A project team has just initiated a large project to move an organization\\'s headquarters to another location. The risk manager has scheduled a risk identification session but notices that the project charter, work breakdown structure (WBS). and scope statement are not available.

What should the risk manager consider?

A. Aligning with the project manager to hold an open brainstorm session with all stakeholders will suffice.

B. The ideal solution is to find alternate documents that provide good visibility on the environment.

C. The risk identification process can be carried out as long as the project statement is available.

D. Risk evaluation will be challenging without these elements as a frame of reference.

Correct Answer: D

Explanation: According to the PMI-RMP ontent Outline1, one of the tasks in the domain of risk identification is to "review project documents, assumptions, and constraints, and understand the project environment and organizational factors to identify risks". The project charter, work breakdown structure (WBS), and scope statement are essential project documents that provide information about the project objectives, deliverables, requirements, assumptions, and constraints. Without these elements, the risk manager will have difficulty identifying and evaluating the risks that may affect the project. Therefore, the best answer is D. References: 1: PMI-RMP ontent Outline, page 7.

QUESTION 5

Jenny is the project manager of the NHJ Project for her company. She has identified several positive risk events within the project and she thinks these events can save the project time and money. You, a new team member wants to know that how many risk responses are available for a positive risk event. What will Jenny reply to you?

A. Four

B. Three

C. Seven

D. Acceptance is the only risk response for positive risk events.

Correct Answer: A

QUESTION 6

A risk manager manages risks in a construction project. A stakeholder mentions that if there is less than a 50% chance of rain, construction should continue. Another stakeholder says that if there is less than a 60% chance of rain, construction should continue.

What should the risk manager do next to find out the correct limit?

A. Review the agreed-upon risk tolerance

B. Perform a sensitivity analysis of the risk

C. Find out the stakeholders\\' risk appetite

D. Use industry standard risk thresholds

Correct Answer: A

Explanation: The risk manager should review the agreed-upon risk tolerance to determine the correct limit for continuing construction based on the chance of rain. Risk tolerance is the level of risk an organization is willing to accept and should be established during the risk management planning process. Risk tolerance is the degree of uncertainty that a stakeholder is willing to accept in respect to a negative outcome on a project objective. Risk tolerance can be expressed as a percentage, a range, a value, or a qualitative statement. Risk tolerance should be agreed upon by the project team and the stakeholders at the beginning of the project, and documented in the risk management plan. The risk manager should review the agreed- upon risk tolerance to find out the correct limit for the rain probability that would affect the construction activity. This would help to resolve the conflicting opinions of the stakeholders and ensure that the risk

management decisions are aligned with the project objectives and expectations. Reviewing the agreed-upon risk tolerance is the best option among the choices given, as it is the most relevant and reliable source of information for the risk manager. Performing a sensitivity analysis, finding out the stakeholders\\' risk appetite, or using industry standard risk thresholds are not as effective or appropriate ways of finding out the correct limit, as they do not reflect the specific agreement and context of the project. References: PMI-RMP Certification Handbook1, page 9; PMBOK Guide, pages 414-415.

QUESTION 7

Which of the following characteristics would a risk-tolerant person or group demonstrate?

A. Adaptable and resourceful; not afraid to take action; thrill seeking

B. Discomfort with uncertainty; low tolerance for ambiguity. seeks security and resolution in the face of risk

C. Risk taking is a price worth paying for future payoffs; seeks strategies and tactics that have high future payoffs; thinks abstractly and creatively envisioning possibilities, and not afraid of change or unknowns

D. Reasonable comfort with most uncertainty; accepts risk as a normal feature of projects and business, and takes uncertainty in stride with no apparent or significant influence on their behavior.

Correct Answer: D

QUESTION 8

The project manager asks the risk manager to determine the initial risk assessment for a six month initiative that is about to kick-off. Which two artifacts will help the risk manager conduct the related analysis? (Choose two.)

A. Work breakdown structure (WandS)

B. Project organizational chart

C. Configuration management plan

D. Brainstorming

E. Monte Carlo analysis

Correct Answer: AB

Explanation: According to the PMBOK Guide, one of the tools and techniques for the identify risks process is data gathering. Data gathering is the process of collecting information from various sources to identify potential risks that may affect the project objectives. One of the data gathering techniques is document analysis, which involves reviewing and analyzing available project documents and other information sources to identify potential risks1. Two of the artifacts that will help the risk manager conduct the initial risk assessment for a six month initiative are the work breakdown structure (WBS) and the project organizational chart. These are two of the project documents that can be analyzed for potential risks in the project. The work breakdown structure (WBS) is a hierarchical decomposition of the total scope of work to be carried out by the project team to accomplish the project objectives and create the required deliverables. The WBS represents the work defined in the current approved project scope statement and provides the framework for detailed cost estimating, resource planning, and risk management. By reviewing the WBS, the risk manager can identify potential risks that are associated with each work package, deliverable, or scope element, such as technical complexity, quality requirements, dependencies, assumptions, constraints, and uncertainties1. The project organizational chart is a graphical representation of the project team members and their reporting relationships. The project organizational chart

depicts the roles and responsibilities of the project team, as well as the communication channels and authority levels among the team members and other stakeholders. By reviewing the project organizational chart, the risk manager can identify potential risks that are related to the project team structure, such as resource availability, skill gaps, team dynamics, stakeholder expectations, and conflict resolution1. Some of the other options are not relevant or appropriate for the question scenario: The configuration management plan is a component of the project management plan that describes how the project team will manage the configuration of the project\\'s deliverables and documentation. The configuration management plan defines the processes, tools, and methods for identifying, controlling, tracking, and auditing the changes to the project\\'s baselines. The configuration management plan is not an artifact that will help the risk manager conduct the initial risk assessment, as it does not provide information on the potential risks that may affect the project objectives or scope1. Brainstorming is a technique for the identify risks process that involves generating a list of potential risks through a group discussion. Brainstorming is not an artifact, but rather a tool and technique for identifying risks. Brainstorming can help the risk manager conduct the initial risk assessment, but only after reviewing and analyzing the available project documents and information sources1. Monte Carlo analysis is a technique for the perform quantitative risk analysis process that involves simulating the combined effect of individual project risks and other sources of uncertainty on the project objectives, such as cost or schedule. Monte Carlo analysis is not an artifact, but rather a tool and technique for analyzing risks. Monte Carlo analysis can help the risk manager conduct the initial risk assessment, but only after identifying and prioritizing the individual project risks and their probability and impact1. References: PMBOK Guide, 6th edition, pages 397-399, 414-415, 431-432, 441-442, 156- 157, 168-169, 89-901; PMI-RMP ontent Outline, 2015, page 7.

QUESTION 9

What is a project issue within a project environment?

A. A negative effect on a project objective arising from occurrence of a threat

B. A certain event which has a positive or negative impact in the project

C. A risk which has a significant impact on the project

D. An uncertain event which may impact the project

Correct Answer: A

QUESTION 10

You are the project manager for a construction project. The project involves casting of a column in a very narrow space. Because of lack of space, casting it is highly dangerous. High technical skill will be required for casting that column. You decide to hire a local expert team for casting that column. Which of the following types of risk response are you following?

A. Acceptance

B. Avoidance

C. Mitigation

D. Transference

Correct Answer: D

QUESTION 11

A project lihat was in the execution phase for the last six months was put on hold and was eventually cancelled after numerous scope related challenges. It was decided to re-plan the scope and divide the project into multiple projects to have better insight into end objectives. As part of the project start up. the project manager is developing the risk planning for the project.

What three artifacts should the project manager consult or review during this process? (Choose three.)

A. Project contracts

B. Lessons learned registers from analogous projects

C. Risk register

D. Risk management plan

E. Code of regulations

Correct Answer: ABD

Explanation: The project manager should consult or review project contracts, lessons learned registers from analogous projects, and the risk management plan to develop an effective risk planning for the project. According to the PMBOK Guide, the risk management plan is one of the key inputs for the plan risk management process, which is the first process in the project risk management knowledge area. The risk management plan describes how risk management activities will be structured and performed throughout the project. It includes information such as the methodology, roles and responsibilities, budget, timing, risk categories, definitions of risk probability and impact, probability and impact matrix, revised stakeholders\\' risk tolerances, reporting formats, and tracking (page 409). Therefore, option D is the correct answer. The project contracts are also an important input for the plan risk management process, as they may contain terms and conditions that can create or affect various project risks. For example, contracts may include clauses related to penalties, incentives, warranties, intellectual property rights, termination, force majeure, arbitration, indemnification, etc. The project manager should review the project contracts to identify any potential sources of risk and plan appropriate responses (page 410). Therefore, option A is the correct answer. The lessons learned registers from analogous projects are another valuable input for the plan risk management process, as they provide historical information and knowledge that can help the project manager identify and analyze risks, as well as plan risk responses. The lessons learned registers may contain information such as the risks that occurred, the root causes of the risks, the risk triggers, the effectiveness of the risk responses, the residual and secondary risks, the risk owners, the risk ratings, the risk trends, etc. The project manager should consult the lessons learned registers from similar or comparable projects to learn from past experiences and avoid repeating mistakes (page 411). Therefore, option B is the correct answer. The risk register is not an input for the plan risk management process, but an output. The risk register is a document that contains the list of identified risks, their causes, potential responses, and other relevant information. The risk register is

created during the identify risks process, which is the second process in the project risk management knowledge area. The risk register is then updated and refined throughout the project as more information becomes available and new risks

emerge (page 414). Therefore, option C is incorrect.

The code of regulations is not an input for the plan risk management process, but a type of enterprise environmental factor. Enterprise environmental factors are the conditions, not under the control of the project team, that influence,

constrain, or direct the project. The code of regulations refers to the rules and standards that govern the project\\'s industry, domain, or sector. The code of regulations may affect the project\\'s scope, schedule, cost, quality, resources,

communications, procurement, and risk management. The project manager should consider the code of regulations when planning risk management activities, but it is not an artifact that needs to be reviewed or consulted (page 38).

Therefore, option E is incorrect.

References: PMBOK Guide, pages 38, 409-411, 4141

QUESTION 12

A subcontractor working on a project may cause delays in the construction schedule. The project manager records this risk in the risk register and issues a change request sponsor rejects the change request.

What should the project manager have done differently?

A. Executed the risk strategy response and recorded it in the risk register.

B. Performed an analysis to affirm the request is valid before submitting.

C. Informed the client and the project sponsor that the request is being submitted.

D. Contacted the other stakeholders so they know the request is in process.

Correct Answer: B

Explanation: The project manager should have performed an analysis to ensure that the change request was valid and well-supported before submitting it to the sponsor. This would help in making a strong case for the change request and increase the chances of its approval.

The project manager should have performed an analysis to affirm the request is valid before submitting, as this would help to justify the need for the change and to demonstrate its impact on the project objectives, scope, schedule, cost, quality, and risk. The project manager should also have consulted with the project team, the subcontractor, and the risk owner to determine the best risk response strategy and to estimate the resources and time required for the change. By performing an analysis, the project manager could have increased the chances of getting the change request approved by the sponsor and avoided wasting time and effort on an invalid request. References: The Standard for Risk Management in Portfolios, Programs, and Projects, page 79; PMBOK Guide, 6th edition, page 115.

QUESTION 13

Tom works as a project manager for BlueWell Inc. He is determining which risks can affect the project. Which of the following inputs of the identify risks process is useful in identifying risks, and provides a quantitative assessment of the likely cost to complete the scheduled activities?

A. Activity cost estimates

B. Cost management plan

C. Activity duration estimates

D. Risk management plan

Correct Answer: A

QUESTION 14

There are seven risk responses for any project. Which one of the following is a valid risk response for a negative risk event?

A. Enhance

B. Exploit

C. Acceptance

D. Share

Correct Answer: C

QUESTION 15

A risk facilitator is creating an outline for the risk management plan. To ensure alignment with the project\\'s objectives, and to develop and recommend the project\\'s risk strategy, what should be referenced to create this?

A. Project management plan, project charter, stakeholder register, and organizational process assets

B. Risk register, project charter, stakeholder register, and organizational process assets

C. Project management plan, risk register, stakeholder register, and organizational process assets

D. Strengths, weaknesses, opportunities, and threats (SWOT) analysis, project charter, stakeholder register, and organizational process assets

Correct Answer: A