

# PASSTCERT

QUESTION & ANSWER

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**Exam** : **EX0-004**

**Title** : Management of Risk  
Foundation

**Version** : DEMO

1. Which is a purpose of using a risk maturity model?

- A. Identify where the application of risk management within an organization can be improved
- B. Understand the nature of risks facing an organization and the actions needed to respond
- C. Provide independent risk information at key decision points within a programme or project
- D. Show to which organizational activities risk management should be applied

**Answer: A**

2. Which does the SWOT analysis technique help to identify about an organization?

- A. Long-term trends
- B. Stakeholder views
- C. Corporate governance requirements
- D. Internal strengths

**Answer: D**

3. Which technique can be used to clarify potential sources of risks across an activity?

- A. Probabilistic risk models
- B. Summary risk profiles
- C. Risk breakdown structure
- D. Decision trees

**Answer: C**

4. What objectives are associated with decisions on risks to the achievement of long-term goals?

- A. Strategic
- B. Programme
- C. Project
- D. Operational

**Answer: A**

5. Which explains a use of the risk management policy in the identify context' step?

- A. Identifies changes to the organization's market
- B. Identifies how past events could become sources of risk
- C. Describes how corporate governance will affect the risk management process
- D. Understand the maximum amount of risk that should be taken

**Answer: D**

6. What step is used to determine those risks which have the greatest effect on the objectives of a planned activity?

- A. Identify
- B. Assess
- C. Plan
- D. Implement

**Answer: B**

7. Which is NOT a reason for carrying out an 'M\_o\_R health check?

- A. Identify areas for improvement
- B. Help gain maximum value from investment in risk management
- C. Provide a snapshot of the current status of identified risks
- D. Review how well risk management practices have been embedded

**Answer: C**

8.Which is NOT an action needed to achieve the goal of the 'assess - evaluate' step?

- A. Determine which other risks will occur if a risk occurs
- B. Calculate the total risk exposure for the activity
- C. Evaluate the effectiveness of risk management across the organization
- D. Determine which risks are independent of other risks

**Answer: C**

9.Which role provides sponsorship to ensure that risk management is embraced within the organization?

- A. Senior manager
- B. Manager
- C. Assurance
- D. Risk specialist

**Answer: A**

10.What step is used to determine the time period when a risk might occur?

- A. Identify - risks
- B. Assess - estimate
- C. Assess - evaluate
- D. Identify–context

**Answer: B**

11.How is the risk progress report used in the 'implement' step?

- A. Identify the status against the activity's stated measures for risk management
- B. Identify the scales used to measure the probability and impact of a risk
- C. Describe actions to enhance how risk management is performed
- D. Gain agreement for the amount of risk that can be taken

**Answer: A**

12.Which document describes how risk management activities will support the achievement of corporate objectives throughout an organization?

- A. Risk management strategy
- B. Risk management process guide
- C. Risk progress report
- D. Risk management policy

**Answer: D**

13.Which is a goal of the 'assess - evaluate' step?

- A. Evaluate the impact, probability and how soon risks might occur

- B. Calculate the net effect of risks facing the activity
- C. Assess and evaluate the effectiveness of procedures for managing risks
- D. Evaluate the net cost of planned risk responses

**Answer: B**

14.Which of the M\_o\_R framework core concepts is informed by corporate governance principles and the international standard for risk management ISO31000:2009?

- A. M\_o\_R approach
- B. M\_o\_R principles
- C. M\_o\_R process
- D. Embedding and reviewing M\_o\_R

**Answer: B**

15.What ensures that an organization's implementation of the M\_o\_R approach' and 'M\_o\_R process' undergoes frequent improvement to remain effective?

- A. Corporate governance
- B. Internal controls
- C. Embedding and reviewing
- D. Contingency planning

**Answer: C**

16.Identify the missing words in the following sentence. The lack of [ ? ] is a common barrier to implementing the risk management process.

- A. a high-risk appetite
- B. appropriate responses to risks
- C. clear guidance for managers and staff
- D. an assigned risk owner

**Answer: C**

17.What step is used to determine the likelihood of a risk occurring?

- A. Identify - risks
- B. Assess - estimate
- C. Assess - evaluate
- D. Identify–context

**Answer: B**

18.What is risk exposure?

- A. Amount of risk the organization, or subset of it, is willing to accept
- B. Maximum amount of risk that an organization can bear
- C. Combined effect of risks to a set of objectives
- D. System by which organizations are directed and controlled

**Answer: C**

19.Which activity is focused on when the 'aligns with objectives' principle is applied to the project

perspective?

- A. Implementing business strategy to improve organizational performance
- B. Developing plans to improve the overall efficiency of the organization
- C. Maintaining the appropriate levels of service delivery to new and existing customers
- D. Delivering defined business change products within budget and on time

**Answer: D**

20.Which BEST describes an area of uncertainty at the operational perspective?

- A. Changes to the delivery schedule of business products
- B. Conflicts during the implementation of business strategy
- C. Capabilities of the infrastructure to deliver services
- D. Opinions of stakeholders that may affect the organizational reputation

**Answer: C**