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NEW QUESTION: 1
After starting a new pipeline project, a risk manager schedules an initial meeting with the project sponsor. For the meeting, the project sponsor requests a presentation of the risks that have the most impact on achieving the project objectives.
What should the risk manager do to facilitate the sponsor's ask?
A. Monte Carlo analysis
B. Qualitative risk analysis
C. Sensitivity analysis
D. Quantitative risk analysis
Answer: (SHOW ANSWER)
Quantitative risk analysis helps to numerically analyze the probability and impact of risks on project objectives. By performing quantitative risk analysis, the risk manager can present the risks with the most impact on achieving the project objectives to the project sponsor. (Reference: PMBOK Guide, 6th Edition, p.
423)
According to the PMI Risk Management Professional (PMI-RMP) Reference Materials, sensitivity analysis is a type of probabilistic analysis that determines how sensitive the results of the analysis are to uncertainties in input variables. Sensitivity analysis determines which uncertainty has the greatest potential for an impact on the project objectives, such as cost, schedule, scope, or quality1. In this case, the risk manager should use sensitivity analysis to facilitate the sponsor's ask, as it will help to identify and present the risks that have the most impact on achieving the project objectives. Sensitivity analysis can also show how the project objectives will vary with the changes in the input variables, such as the probability and impact of risks2. Sensitivity analysis can be performed using various tools and techniques, such as tornado diagrams, spider charts, or influence diagrams3.

References: 1: PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide), Sixth Edition, 2017, p. 403 2: PMI, Practice Standard for Project Risk Management, 2009, p. 95 3: Quantitative Risk Analysis in Project Management - PM-Training

NEW QUESTION: 2
A project is In the initiation phase. The project stakeholders are Invited to a meeting to share their thoughts that may impact the project In a positive or negative way.
What will be the main output of this meeting?
A. Evaluating the project's probability of success
B. Identifying threats and opportunities
C. Evaluating the project's impact
D. Performing a qualitative analysis
Answer: (SHOW ANSWER)
The main output of the stakeholder meeting in the initiation phase is to identify threats and opportunities that may impact the project in a positive or negative way. This information will be used to develop the risk management plan.
The meeting that the project stakeholders are invited to in the initiation phase is part of the Identify Risks process. The purpose of this process is to identify the risks that may affect the project objectives in a positive or negative way, and to document their characteristics. The main output of this process is the risk register, which is a document that contains the list of identified risks, their causes, potential responses, and other relevant information. The risk register is an essential input for the subsequent risk management processes, such as Perform Qualitative Risk Analysis, Perform Quantitative Risk Analysis, Plan Risk Responses, and Monitor Risks.
Therefore, the correct answer is B. Identifying threats and opportunities. References: PMI, The Standard for Risk Management in Portfolios, Programs, and Projects, 2019, p. 79-80, 86-87.

NEW QUESTION: 3
A software development project team was preparing for a phased release when an unknown and unexpected risk occurred with potential for delaying one of the features for the planned release. The project team decided to go ahead with the release and address this missing feature at a later date. One of the end users learned about this and strongly opposed the planned release.
What should the risk manager have done to prevent this situation?
A. Engaged the sponsor and informed them of the decision to remove the planned feature.
B. Engaged the stakeholders more in risk management activities and decisions to get their buy-in and support.
C. Performed proper risk identification at the project outset to ensure this risk was identified and mitigated.
D. Created a schedule buffer in the plan to deal with unknown risks if and when they occurred.
Answer: (SHOW ANSWER)
Stakeholder engagement is critical in risk management, especially when decisions may impact project deliverables. By involving stakeholders more in risk management activities and decision-

making processes, the risk manager could have ensured that all parties were aware of potential changes and their implications.
This engagement helps in securing stakeholder buy-inand support, thus preventing situations where stakeholders might oppose decisions after the fact. PMI's risk management framework emphasizes the importance of continuous and active stakeholder engagement throughout the project lifecycle.

NEW QUESTION: 4
A project manager is leading a complex, high-risk construction project in the city center. To address risk based on lessons learned from similar past building projects, the risk manager assigns a team member to assess and confirm risk thresholds for the project.
What should the risk manager do?
A. Develop risk assessment processes and tools to quantify risk thresholds.
B. Work with stakeholders to achieve consensus on risk thresholds.
C. Use subject matter experts and historical data to estimate risk thresholds.
D. Review regulatory requirements and the contract to identify risk thresholds.
Answer: B (LEAVE A REPLY)
The correct answer is B. Work with stakeholders to achieve consensus on risk thresholds.
Risk thresholds represent the specific levels of risk exposure or variation that stakeholders are willing to accept. Because thresholds are closely tied to stakeholder risk appetite, tolerance, project objectives, business priorities, and governance expectations, they should not be set by the project team alone. The risk manager should therefore work collaboratively with stakeholders to confirm and agree on those thresholds .
The question states that the team member is assessing and confirming thresholds using lessons learned from similar projects. Historical information is useful input, but thresholds for the current project must still be validated with the relevant stakeholders. In a complex, high-risk city-center construction project, many stakeholder interests may influence acceptable risk levels, including cost, schedule, safety, regulatory exposure, public disruption, and contractual obligations. For that reason, stakeholder consensus is the most appropriate action.
Why the other options are incorrect:
* A. Develop risk assessment processes and tools to quantify risk thresholds Processes and tools may support analysis, but they do not themselves establish agreed thresholds. Thresholds must reflect stakeholder acceptance levels, not just analytical design.
* C. Use subject matter experts and historical data to estimate risk thresholds This is useful supporting input, especially from past projects, but the question asks what the risk manager should do to assess and confirm the thresholds. Estimates from experts and history are not sufficient without stakeholder agreement.
* D. Review regulatory requirements and the contract to identify risk thresholds Regulatory and contractual limits are important constraints, but they do not fully define project risk thresholds. Stakeholder tolerance may be narrower than legal or contractual boundaries.
Best-practice reasoning:

Risk thresholds should be established and validated during risk planning in consultation with key stakeholders because thresholds guide evaluation, prioritization, escalation, and response decisions. Without stakeholder agreement, the project may misjudge which risks are acceptable and which require action.
Reference-aligned basis:
This answer is consistent with standard risk management guidance that emphasizes:
* risk thresholds are linked to stakeholder risk appetite and tolerance,
* thresholds are established during planning,
* stakeholder engagement is necessary to define and confirm acceptable levels of risk exposure.
References:
PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide) , Plan Risk Management PMI, Practice Standard for Project Risk Management ISO 31000, risk criteria and stakeholder consultation principles

NEW QUESTION: 5
The project team is updating the risk register with the minimum acceptable level of exposure and impact for each risk. The team also wants to determine if they have reached the maximum level of exposure before they escalate the risk.
What should the team perform in this scenario?
A. Quantitative risk analysis
B. Risk response planning
C. Monitor and control risks
D. Risk urgency assessment
Answer: (SHOW ANSWER)
Quantitative risk analysis helps determine the minimum acceptable level of exposure and impact for each risk.
It also helps to understand if the maximum level of exposure has been reached before escalating the risk.
(Reference: PMBOK Guide, 6th Edition, p. 423)
The team should perform quantitative risk analysis, which is the process of numerically analyzing the effect of identified risks on overall project objectives. Quantitative risk analysis can help the team to establish the minimum acceptable level of exposure and impact for each risk, as well as the maximum level of exposure before escalation. Quantitative risk analysis can also provide probabilistic estimates of project outcomes, such as cost and schedule, and support risk prioritization and decision making. References: PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide), Sixth Edition, 2017, p. 399; PMI, The Standard for Risk Management in Portfolios, Programs, and Projects, 2019, p. 69.

NEW QUESTION: 6

A certain risk is identified for a major project, and the risk response is planned. However, the analysis reveals a high probability for a secondary risk which will be tolerated based on the organization ' s risk thresholds.
The secondary risk is subsequently registered. During project execution, the primary risk occurs, the planned action is taken, and the secondary risk emerges What two actions should the risk owner take? (Choose two.)
A. Implement the secondary risk response and update the project documents.
B. Conduct meeting with all stakeholder to agree on post impact solutions.
C. Set the corresponding trigger conditions to the secondary risk.
D. Engage the project manager to authorize the secondary risk ' s response.
E. Update and communicate assessments of the secondary risk ' s impact.
Answer: (SHOW ANSWER)
The risk owner should implement the secondary risk response, as it is now being tolerated, and update the project documents accordingly. They should also update and communicate the assessments of the secondary risk ' s impact to ensure everyone is aware of the situation.
According to the PMI-RMP Handbook1, the risk owner is responsible for implementing the risk response plan and monitoring the risk and its secondary risks. Therefore, the risk owner should take the following two actions when the secondary risk emerges:
Implement the secondary risk response and update the project documents. This action is consistent with the risk response strategy of tolerance, which means accepting the risk and its consequences. The risk owner should execute the planned response for the secondary risk, such as contingency plans or fallback plans, and update the relevant project documents, such as the risk register, the risk report, and the lessons learned register, to reflect the current status and impact of the risk.
Update and communicate assessments of the secondary risk's impact. This action is consistent with the risk monitoring and control process, which involves tracking the identified risks, evaluating their impact and probability, and reporting the risk information to the appropriate stakeholders. The risk owner should reassess the secondary risk's impact on the project objectives, such as scope, schedule, cost, and quality, and communicate the results to the project manager and other relevant stakeholders, such as the sponsor, the customer, and the team members.
PMI-RMP Handbook1
PMBOK Guide, 6th edition, Chapter 11: Project Risk Management2

NEW QUESTION: 7
An international telecommunications company is preparing to launch a new service across multiple regions.
The project team is concerned about the varied technical issues and regulatory challenges in each region. The risk manager is tasked with identifying and analyzing risks to prioritize them based on their potential impact.
Which two actions should the risk manager take? Choose two.

A. Assign risks to the most tenured team members for assessment.
B. Engage with local experts to understand region-specific constraints.
C. Model one region and then follow the same strategy in all regions.
D. Apply a common risk matrix across all regions.
E. Develop a customized risk matrix for each region.
Answer: (SHOW ANSWER)
The risk manager should engage local experts and customize the risk-assessment criteria for the conditions of each region.
Option B is correct because local experts can provide current and relevant information regarding regional regulations, technical standards, licensing requirements, infrastructure limitations, cultural factors, political conditions, market practices, data requirements, and compliance obligations.
Risk identification and analysis should involve people who have appropriate subject-matter expertise. Local regulatory specialists, legal advisers, telecommunications engineers, compliance professionals, suppliers, and operational representatives may identify risks that a centralized project team could overlook.
Option E is correct because the probability and impact of the same risk may differ significantly between regions. A customized risk matrix allows the risk manager to assess each risk according to the specific conditions, thresholds, and consequences applicable to that region.
For example:
* A licensing delay may create a minor schedule effect in one region but prevent service launch in another.
* A system outage may have different financial effects depending on the number of customers in each region.
* Regulatory penalties may differ substantially between jurisdictions.
* Data-residency, privacy, cybersecurity, and telecommunications requirements may vary.
* Infrastructure reliability and technical readiness may differ by region.
After completing the regional assessments, the results may be mapped to a common enterprise-level reporting scale to support consolidated management reporting.
Option A is incorrect because tenure alone does not demonstrate the expertise needed to assess a specific risk.
Risks should be assessed by individuals with relevant knowledge and experience.
Option C is incorrect because using one region as the model for every other region ignores important regulatory, technical, political, economic, and operational differences.
Option D is less appropriate because an identical risk matrix may not accurately represent the different thresholds and consequences in each region. A common enterprise framework may be used for consolidated reporting, but the assessment criteria should be tailored to the regional context.
References:
PMI, The Standard for Risk Management in Portfolios, Programs, and Projects. PMI, PMBOK Guide, Sixth Edition, Sections 11.2 and 11.3, Identify Risks and Perform Qualitative Risk

Analysis. PMI, PMBOK Guide, Sixth Edition, Section 11.1, Plan Risk Management. PMI, PMBOK Guide, Seventh Edition, Tailoring and Uncertainty Performance Domain. PMI-RMPExamination Content Outline, Risk Analysis Domain. ISO 31000:2018, Risk Management-Guidelines, Sections 6.3, 6.4.2, and 6.4.3.

NEW QUESTION: 8
A risk manager of a major project facilitates a meeting to develop the risk management plan. What two factors does the risk manager need to consider to ensure an effective risk management plan is developed?
(Choose two.)
A. Applying modern risk management techniques.
B. Aligning to project constraints and priorities.
C. Ensuring risk response strategies mitigate all risks.
D. Minimizing implementation costs.
E. Obtaining stakeholder acceptance
Answer: (SHOW ANSWER)
To ensure an effective risk management plan, the risk manager needs to consider aligning the plan to project constraints and priorities and obtaining stakeholder acceptance, as these factors will help ensure that the plan is relevant and supported by the project team and stakeholders. According to the PMI-RMP Handbook, the risk management plan 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 consider the following factors to ensure its effectiveness:
Aligning to project constraints and priorities: The risk management plan should be aligned with the project objectives, scope, schedule, cost, quality, resources, and stakeholder expectations. It should also reflect the project's risk appetite, tolerance, and threshold levels, which indicate the degree of uncertainty that the project can accept. The risk management plan should prioritize the risk management activities based on the project's critical success factors and key performance indicators.
Obtaining stakeholder acceptance: 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 be communicated and approved by the stakeholders to ensure their commitment and support for the risk management process. 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 other options are not valid factors for ensuring an effective risk management plan:
Applying modern risk management techniques: The risk management plan should apply the appropriate risk management techniques that suit the project's context, complexity, and characteristics. The techniques should be based on the best practices and standards of the profession, such as the PMBOK Guide and the Practice Standard for Project Risk Management.

The techniques do not have to be modern or innovative, as long as they are effective and efficient.
Ensuring risk response strategies mitigate all risks: The risk management plan should define the risk response strategies that will be used to address the identified risks. However, the risk response strategies do not have to mitigate all risks, as some risks may be accepted, transferred, or avoided. The risk response strategies should be based on the risk analysis and evaluation, which consider the probability and impact of the risks, as well as the cost and benefits of the responses.
Minimizing implementation costs: The risk management plan should consider the budget and resources available for the risk management activities. However, the risk management plan should not aim to minimize the implementation costs at the expense of the quality and effectiveness of the risk management process. The risk management plan should balance the costs and benefits of the risk management activities, and ensure that they provide value to the project.
PMI-RMP Handbook1, PMBOK Guide2, Practice Standard for Project Risk Management2

NEW QUESTION: 9
A major data center initiative involves performing a sensitivity analysis to determine the center ' s required amount of disaster recovery. Several key stakeholders are in disagreement about which level of disaster recovery is required. The lessons learned disaster recovery plans, and the difference for this data center is its geographical location and unique climate requirements. The database includes examples from previous similar initiatives, as well as the competitor ' s advertised plans.
What should the risk manager do to quantify the risk?
A. Initiate a 360-degree assessment.
B. Consult environmental enterprise factors for benchmarks.
C. Review organizational process assets for guidance.
D. Consider leveraging the Delphi technique.
Answer: (SHOW ANSWER)
The Delphi technique is a structured communication process designed to build consensus among a group of experts and stakeholders when opinions differ and a quantitative assessment is needed. It uses rounds of anonymous input and feedback, allowing experts to refine their views based on others ' anonymous contributions. This approach is especially useful when stakeholders are in disagreement and objective quantification of risk is required.
PMBOK Guide Extract:
"The Delphi technique is a way to reach a consensus of experts. Project risk experts participate in this technique anonymously. A facilitator uses a questionnaire to solicit ideas about the important project risks.
The responses are summarized and recirculated to the experts for further comment. Consensus may be reached in a few rounds of this process. The Delphi technique helps reduce bias in the data and keeps any one person from having undue influence on the outcome."

- PMBOK Guide, 6th Edition, Section 11.2.2.4
ISO 31000 Reference:
"Facilitated workshops and expert elicitation techniques, such as the Delphi method, can help achieve an objective and consensus-based understanding of complex risks."
- ISO 31000:2018, Section 6.4.2
In this scenario, since the stakeholders are in disagreement and the project involves complex, location-specific disaster recovery requirements, the Delphi technique (Option D) is the officially recommended approach to achieving consensus and quantifying risk.
References:
PMI PMBOK Guide, 6th Edition, Section 11.2.2.4
Practice Standard for Project Risk Management, PMI
ISO 31000:2018, Section 6.4.2

NEW QUESTION: 10

A project team is concluding the first monthly meeting on a new engineering project, with regular review of project risks. Which document should the risk manager update to reflect the risks ' current status?

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A. Maintain the risk response plan and continuously monitor actions taken to mitigate risks.
B. Ensure that the risk management plan is reviewed to incorporate adjustments in risk strategies.
C. Revise the risk register to reflect changes in risk status and include new mitigation actions.
D. Update the project schedule to reflect the impacts of risks and adjustments to timelines.
Answer: C (LEAVE A REPLY)
The correct answer is C. Revise the risk register to reflect changes in risk status and include new mitigation actions.
The question asks which document should be updated to reflect the current status of risks after a regular project risk review meeting. In standard project risk practice, the risk register is the primary document used to record identified risks, their current condition, ownership, probability, impact, triggers, response actions, and status updates. When risks are reviewed during recurring meetings, the risk manager should update the risk register so it accurately reflects the latest information.
This includes:
* changes in probability or impact,
* status of existing response actions,
* newly identified mitigation activities,
* newly identified risks,
* closed risks,
* secondary or residual risks where relevant.
Why the other options are incorrect:
* A. Maintain the risk response plan and continuously monitor actions taken to mitigate risks. This describes an activity, not the main document that captures the current status of each risk. The question asks specifically which document should be updated.

* B. Ensure that the risk management plan is reviewed to incorporate adjustments in risk strategies. The risk management plan defines the overall approach, methodology, roles, thresholds, and reporting processes for risk management. It is not the document typically updated during routine monthly reviews to show current risk status.
* D. Update the project schedule to reflect the impacts of risks and adjustments to timelines. The schedule may need updates if risks affect timelines, but it is not the core risk tracking document. The direct and primary document for risk status is the risk register.
Best-practice reasoning:
Routine risk monitoring requires accurate and current risk documentation. The risk register is the operational tool used to track ongoing changes in the project's risk profile and response progress.
Reference-aligned basis:
This answer is consistent with standard risk management guidance that emphasizes:
* the risk register as the central repository for identified risks and their status,
* updating the register during monitoring and review activities,
* recording response actions and changes in exposure over time.
References:
PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide) , Monitor Risks
PMI, Practice Standard for Project Risk Management ISO 31000, risk recording, monitoring, and review principles

NEW QUESTION: 11
in a complex and critical project, a sponsor asks the risk manager to determine where the project's concentration of risks is greatest by performing a quantitative risk analysis. There are no organizational process assets (OPAs)s about the risk categories.
Which tool could the risk manager use to discover the project risk categories?
A. Work breakdown structure (WBS)
B. Affinity diagram
C. Monte Carlo simulation
D. Mind mapping
Answer: (SHOW ANSWER)
When a project lacks predefined organizational process assets (OPAs) related to risk categories, the risk manager can utilize the Work Breakdown Structure (WBS) to identify potential project risk categories. The WBS decomposes the project scope into manageable components, providing a hierarchical representation of all deliverables and work packages. By analyzing each element of the WBS, the risk manager can systematically identify areas where risks may arise, effectively categorizing them based on project activities and deliverables. This approach ensures a comprehensive assessment of potential risks across all aspects of the project, facilitating targeted risk management efforts.
PMI Risk Management Study Guide References:

The PMI-RMP Exam Preparation Study Guide notes that "the WBS serves as a foundational tool for risk identification, enabling project teams to systematically examine each component for potential risks and categorize them appropriately."

NEW QUESTION: 12
An organization with a large computer network identified a potential cyber security threat. Although certain measures were implemented to avoid the risk, the cyber security threat occurs. The measures were partially successful and a new unforeseen risk emerges.
What should the risk owner do?
A. Develop an efficient network protection solution quickly to mitigate the risk.
B. Escalate the case to the risk manager and wait for their instructions.
C. Conduct an analysis to determine the root cause of the failed response.
D. Apply a work around to eliminate or mitigate the impact of the threat.
Answer: (SHOW ANSWER)
According to the PMBOK Guide, one of the tools and techniques for the implement risk responses process is root cause analysis. Root cause analysis is a technique that focuses on identifying the fundamental reason for the occurrence of a problem or a risk. By conducting a root cause analysis, the risk owner can determine why the implemented measures were only partially successful and what caused the new unforeseen risk to emerge. This can help the risk owner to identify and implement more effective risk responses, as well as to update the risk register and the risk report with the new information1 . References: PMBOK Guide, 6th edition,pages 452-453, 474-4751; PMI-RMP Exam Content Outline, 2015, page 8.

NEW QUESTION: 13
A project manager has finished the project charter for a project and has now moved into the planning phase.
In the first planning meeting, the project manager is trying to determine the risk tolerance and risk attitudes of the project's key stakeholders.
What is the first resource the project manager should reference?
A. Benefits management plan
B. Enterprise environmental factors (EEFs)
C. Project charter
D. Requirements management plan
Answer: (SHOW ANSWER)
The project charter is the first resource the project manager should reference to determine the risk tolerance and risk attitudes of the project's key stakeholders, as it contains information such as the project purpose, objectives, success criteria, high-level risks, and key stakeholder list. The project charter is an output of the Develop Project Charter process, which is part of the Initiating process group. The project charter provides the project manager with the authority to apply organizational resources to project activities and establishes a partnership between the

performing organization and the requesting organization. References: PMBOK Guide, 6th edition, page 81-82.
Enterprise environmental factors (EEFs) provide information about the organization's culture, risk tolerance, and risk attitudes, which can help the project manager determine the risk tolerance and risk attitudes of the project's key stakeholders. (Reference: PMBOK Guide, 6th Edition, p. 39)

NEW QUESTION: 14
A product roadmap should contain which of these primary components?
A. Detailed design plan, business objectives, timeframes
B. Project management plan, communications management plan, stakeholder engagement plan
C. Project release timeframes, detailed design plan
D. Product vision, business objectives, timeframes
Answer: (SHOW ANSWER)
Comprehensive and Detailed In-Depth Explanation:
A product roadmap is a strategic document that outlines the vision, direction, and progress of a product over time. It serves as a communication tool, aligning stakeholders on the product's goals and the plan to achieve them.
Option D: Product vision, business objectives, timeframes.
This option encapsulates the essential elements of a product roadmap:
Product Vision: Defines the long-term mission and purpose of the product, providing a clear direction and inspiration.
Business Objectives: Specific, measurable goals that the product aims to achieve, aligning with the organization's strategic aims.
Timeframes: Indicative timelines for achieving milestones, helping to set expectations and facilitate planning.
The PMI-RMP Exam Prep Study Guide highlights that "a well-structured product roadmap includes the product vision, aligned business objectives, and projected timeframes to guide development and stakeholder communication" (Fremouw, 2021, p. 89).
Option A: Detailed design plan, business objectives, timeframes.
While business objectives and timeframes are integral to a product roadmap, a detailed design plan is typically too granular for this high-level document. The roadmap focuses on overarching goals and timelines rather than specific design details.
Option B: Project management plan, communications management plan, stakeholder engagement plan.
These components are elements of project management planning but do not constitute a product roadmap.
They pertain to the processes and methodologies of managing a project rather than outlining the strategic direction of a product.
Option C: Project release timeframes, detailed design plan.

Project release timeframes are relevant to a product roadmap; however, combining them solely with a detailed design plan omits the critical aspects of product vision and business objectives, which are necessary to provide context and purpose.
In summary, a comprehensive product roadmap should primarily include the product vision, business objectives, and timeframes (Option D), offering a strategic overview that guides the product's development and aligns stakeholders with its intended direction.
References:
Fremouw, B. (2021). PMI-RMP Exam Prep Study Guide. RMC Publications.

NEW QUESTION: 15
A project has consistently been lagging in cost performance index (CPI) and schedule performance index (SPI) over the past few months. The risk manager realizes that some activities are taking longer than expected and more resources are needed.
Which project artifact should the risk manager analyze to mitigate the risk of further project overrun?
A. Schedule and resource assumptions
B. Contingency reserves
C. Work breakdown structure (WBS)
D. Risk impact matrix
Answer: (SHOW ANSWER)
When a project experiences consistent deviations in cost performance index (CPI) and schedule performance index (SPI), it indicates underlying issues with the project's assumptions regarding schedule and resources.
Analyzing these assumptions helps identify discrepancies between planned and actual performance, such as underestimated task durations or insufficient resource allocation. By revisiting and adjusting these assumptions, the risk manager can develop strategies to mitigate further overruns and align the project with its objectives.
PMI Risk Management Study Guide References:
The PMI-RMP Exam Content Outline emphasizes the importance of examining assumption and constraint analyses to identify risks arising from inaccurate or incomplete project assumptions, which can lead to performance issues.

NEW QUESTION: 16
A project team has completed the risk response plan for a newly identified major project risk. Some team members argue the plan does not totally eliminate the risk, considering the effort required to implement it, and feel the planned response should be thrown out altogether.
What should the risk manager do in this situation?
A. Accept the response because there are no secondary risks were identified.
B. The response plan should be discontinued and the risk should be accepted and dealt with if it occurs.
C. Accept the residual risk as it is compatible with the organization's risk appetite.

D. All identified risks must be addressed because they might significantly impact the project if they occur.

Answer: (SHOW ANSWER)

In risk management, it is common that not all risks can be completely eliminated. Residual risk is the remaining risk after all possible mitigation efforts have been applied. If the residual risk iswithin the organization's risk appetite-meaning the organization is willing to accept this level of risk-it is appropriate to proceed with the plan. The PMI framework supports this approach, as risk management is about balancing effort and benefit, ensuring that mitigation efforts are commensurate with the risk involved.

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NEW QUESTION: 17

A risk manager for a large project has completed documenting the risk management plan. The project is moving from planning to execution.

Which three actions should the risk manager take to ensure the risk management plan remains effective during the project timeframe? (Choose 3)

A. Verify whether or not any identified risks might occur and implement the risk response plan.

B. Regularly check and report on the status of risks identified according to their prioritization.

C. Monitor the status and oversee execution of the risk response plan for each identified risk.

D. Ensure management reserves are sufficient to cover the mitigation plans for all identified risks.

E. Allocate and lock in project resources according to the initial risk prioritization for all identified risks.

Answer: (SHOW ANSWER)

According to the PMI-RMP Exam Content Outline1, one of the domains of the PMI-RMP certification is risk monitoring and reporting. This domain includes tasks such as "monitor and report on risk metrics and trends",

"monitor the status of risk response activities and update risk register and risk report accordingly", and

"monitor and control project contingency and management reserves". These tasks imply that the risk manager should regularly check and report on the status of risks identified according to their prioritization (B), monitor the status and oversee execution of the risk response plan for each identified risk , and ensure management reserves are sufficient to cover the mitigation plans for

all identified risks (D). These actions will help the risk manager to ensure the risk management plan remains effective during the project timeframe. Therefore, the best answers are B, C, and D. rences: 1: PMI-RMP Exam Content Outline, pages 9-10.

NEW QUESTION: 18
Many customers using the global positioning system (GPS) of several automobile companies are complaining about errors due to a recent update. This update included a major technological change to mitigate emerging risks with software deployment. Upon investigation, the risk manager realized that this issue was identified as a high-risk item during risk analysis, which required secondary risk identification that was never completed.
What was missed in the risk management process that led to this incident?
A. The identification of the business driver.
B. The new technology ' s impact on existing controls
C. The risk management strategy quality assurance.
D. Project environmental factors
Answer: (SHOW ANSWER)
The correct answer is B. The new technology ' s impact on existing controls.
The scenario explains that a major technological change was introduced as part of a risk response, and that this change later caused GPS errors for customers. It also states that the issue had been recognized as high risk and that secondary risk identification was required but never completed . This means the missing step was evaluating how the new solution could affect the existing system, controls, or operating environment. In other words, the project failed to identify and assess the impact of the new technology on existing controls and related processes. Secondary risks often arise when a response action, design change, or technology update introduces new vulnerabilities or weakens current safeguards. Proper identification would have examined how the update might interfere with accuracy, compatibility, validation, deployment controls, or downstream system performance.
Why the other options are incorrect:
* A. The identification of the business driver. The business reason for making the update is not the key issue. The problem was not lack of purpose, but failure to identify and assess the new risk introduced by the technological change.
* C. The risk management strategy quality assurance. This is too broad and indirect. The scenario points more specifically to missed secondary risk identification associated with the implemented change.
* D. Project environmental factors. Environmental factors may influence risk, but the question specifically points to a missed evaluation related to the technology update itself and the need for secondary risk identification.
Best-practice reasoning:
When implementing risk responses involving significant technological change, the risk manager must assess how the new change affects existing controls, processes, interfaces, and users. Failure to do so can allow secondary risks to emerge and affect customers or operations.

Reference-aligned basis:
This answer is consistent with standard risk management guidance that emphasizes:
* risk responses may introduce secondary risks,
* major changes should be assessed for impacts on existing controls and systems,
* secondary risks must be identified and managed as part of ongoing risk monitoring and response implementation.
References:
PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide) , Implement Risk Responses and Monitor Risks PMI, Practice Standard for Project Risk Management ISO 31000, risk treatment, change effects, and monitoring principles

NEW QUESTION: 19
A project manager for a predictive project just received a scope change request where additional development is required. What should the risk manager do to support the project manager with this scope change request?
A. Evaluate any new risks that are introduced due to the change in scope.
B. Update the risk management plan to reflect the scope change.
C. Reassess the identified risks that impact the project scope.
D. Update the risk register to identify, analyze, and plan a response for any new risk.
Answer: (SHOW ANSWER)
According to the PMBOK Guide, a scope change request is a formal proposal to modify any project document, deliverable, or baseline. It is an output of the Perform Integrated Change Control process, which is the process of reviewing all change requests, approving changes, and managing changes to the deliverables, organizational process assets, project documents, and the project management plan. A scope change request may introduce new risks or affect existing risks on the project, which may impact the project objectives, such as scope, schedule, cost, and quality.
The risk manager should support the project manager with the scope change request by evaluating any new risks that are introduced due to the change in scope. This is because the risk manager is responsible for planning, implementing, and monitoring the risk management activities on the project, as well as communicating and reporting the risk information to the project manager and other stakeholders. The risk manager should use the appropriate risk identification and analysis techniques, such as brainstorming, interviews, checklists, SWOT analysis, cause and effect diagrams, probability and impact assessment, etc., to identify and evaluate the new risks that may arise from the scope change. The risk manager should also document the new risks in the risk register, which is a project document that contains the details of all identified individual project risks and other relevant information.
The other options are not valid for what the risk manager should do to support the project manager with the scope change request:
Update the risk management plan to reflect the scope change: This is not a valid option because the risk management plan is a component of the project management plan, which describes how

risk management activities will be structured and performed on the project. It is an output of the Plan Risk Management process, which is the process of defining how to conduct risk management activities for a project. The risk management plan should not be updated to reflect the scope change, but rather to reflect any changes in the risk management approach, methodology, roles and responsibilities, budget, timing, risk categories, definitions, reporting formats, etc. The risk management plan should be updated only when there is a change in the risk management process, not in the project scope.
Reassess the identified risks that impact the project scope: This is not a valid option because reassessing the identified risks that impact the project scope is part of the Monitor Risks process, which is the process of implementing risk response plans, tracking identified risks, monitoring residual risks, identifying new risks, and evaluating risk process effectiveness throughout the project. The risk manager should not reassess the identified risks that impact the project scope before evaluating any new risks that are introduced due to the change in scope. The risk manager should first identify and analyze the new risks, and then reassess the existing risks to determine if they are still valid, relevant, and prioritized.
Update the risk register to identify, analyze, and plan a response for any new risk: This is not a valid option because updating the risk register to identify, analyze, and plan a response for any new risk is a combination of several risk management processes, such as Identify Risks, Perform Qualitative Risk Analysis, Perform Quantitative Risk Analysis, and Plan Risk Responses. The risk manager should not update the risk register to identify, analyze, and plan a response for any new risk in one step, but rather follow the sequential and iterative risk management processes to ensure a comprehensive and consistent risk management approach.
The risk manager should also coordinate and communicate with the project manager and other stakeholders when updating the risk register, as well as obtain their approval and input.
PMBOK Guide1, Risk Management Professional (PMI-RMP) Cert Guide1

NEW QUESTION: 20

The project manager reviews project risks with the risk manager to update, monitor, and close risks in the risk register. The project manager determines one of the risks has a residual risk.
How should the risk manager document the impact of the residual risk?

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A. Utilize change management tools to request a budget increase from the project sponsor and update the risk register.
B. Change the risk identification and description on the risk register to reflect the fact that the residual risk has materialized.
C. Close the risk's status on the risk register since the residual risk has now materialized.
D. Review the impact of the residual risk against the budget reserves and document the update in the risk register.
Answer: (SHOW ANSWER)
In risk management, when a residual risk is identified, it is crucial to reassess its impact on the project's overall risk profile. Residual risks are those risks that remain even after all mitigation

strategies have been applied. According to best practices and the procedures outlined in the documents provided, particularly in the
"Risk Management Procedure" and the "Risk Assessment" guidelines, the appropriate steps to manage residual risks involve:
1. Reassessing the Risk: The first step involves reviewing the impact of the residual risk in the context of existing budget reserves. This ensures that the project has adequate resources to address any potential consequences of the residual risk.
2. Documenting in the Risk Register: After reviewing the residual risk, it should be documented in the risk register with updated details on its impact and any required actions. This aligns with the standard procedure for managing risks throughout a project's lifecycle as described in the "Consolidated Risk Register" section of the Risk Management Procedure.
3. Budget Reserves: Specifically, the focus on budget reserves is crucial because it directly relates to the financial management of risks. According to PMI's Risk Management guidelines and the practices outlined in the provided documents, ensuring that sufficient contingency funds are available to address residual risks is a key aspect of comprehensive risk management. This approach helps in maintaining the financial health of the project while accounting for unforeseen events.
In summary, option D is the correct answer because it reflects the necessary actions that should be taken when dealing with residual risks: reassessing their impact on budget reserves and ensuring that the risk register is updated to reflect these considerations. This process is vital for maintaining control over the project's risk profile and ensuring that any remaining risks are managed effectively and within the project's financial constraints.

NEW QUESTION: 21
A risk manager has noticed that response actions are not working as expected when a risk occurs, mainly because the risk triggers are not well-defined. Which tool should the risk manager use to facilitate risk trigger identification in the upcoming risk review assessment?
A. Risk burndown chart
B. Ishikawa diagram
C. Risk breakdown structure (RBS)
D. Affinity diagram
Answer: (SHOW ANSWER)
An Ishikawa diagram, also known as a fishbone or cause-and-effect diagram, is a tool used to systematically identify potential factors causing an overall effect. In the context of risk management, it helps in pinpointing specific triggers that could lead to identified risks. By categorizing potential causes, the project team can visualize and analyze the root causes of risks, ensuring that risk triggers are well-defined and understood. This clarity enhances the effectiveness of response actions when risks materialize.
PMI Risk Management Study Guide References:

The PMI-RMP Exam Preparation Study Guide discusses the use of Ishikawa diagrams in risk identification, stating that they "assist teams in uncovering root causes of potential risks by visually mapping out cause-and- effect relationships."

NEW QUESTION: 22
A risk manager is collaborating with project stakeholders and the project team to identify risks in a construction project. The risk manager intends to use an approach that engages stakeholders based on information, such as scope baseline and project estimates, while also determining risk impacts based on this approach.
Which risk identification approach should the risk manager use to achieve this goal?
A. Strengths, weaknesses, opportunities, and threats (SWOT) analysis
B. Brainstorming technique
C. Delphi technique
D. Assumptions and constraints analysis
Answer: (SHOW ANSWER)
Assumptions and constraints analysis focuses on reviewing project documents (scope baseline, estimates, etc.) to determine what is assumed or constrained, and then assesses the risks arising from those assumptions and constraints. The PMBOK Guide describes:
"Assumptions and constraints analysis explores the validity of project assumptions and constraints, as documented in scope baselines and estimates, and evaluates their potential impact on project objectives."
- PMBOK Guide, 6th Edition, Section 11.2.2.2
References:
PMBOK Guide, 6th Edition, Section 11.2.2.2

NEW QUESTION: 23
A risk manager is preparing the risk strategy for a strategic project, which involves stakeholders based in multiple locations. What should the risk manager do at this stage?
A. Update the risk communications plan to include all stakeholders.
B. Define the risk processes and tools to be adopted.
C. Update the risk register to include this stakeholder-related risk.
D. Refine the risk assumptions and criteria to be used.
Answer: B (LEAVE A REPLY)
At the risk strategy and planning stage, the risk manager's primary responsibility is to define the risk management processes and tools to be used for the project. This is foundational and comes before identifying individual risks or updating communication plans.
" The first step in risk management planning is to define how to conduct risk management activities, including processes, tools, and techniques that will be used on the project. "
- PMBOK Guide, 6th Edition, Section 11.1 (Plan Risk Management)

ISO 31000 similarly emphasizes that the establishment of the risk management context, processes, and tools is critical at the planning stage, especially for projects involving multiple stakeholders and locations.
References:
PMI PMBOK Guide, 6th Edition, Section 11.1
ISO 31000:2018, Section 6.3

NEW QUESTION: 24
A risk manager is integrated into a team overseeing a crucial software development project. During the information gathering phase, the risk manager notices significant weaknesses in the maturity of the risk management process. The team needs to establish a more structured approach to managing risks, including the documentation of strategies, ownership structures, and details about the organization ' s project risk baseline.
What should the risk manager do?
A. Prioritize the risk management plan.
B. Arrange the risk mitigation plan.
C. Create a risk action plan with risk owners.
D. Prioritize the risk register.
Answer: (SHOW ANSWER)
A risk management plan is the foundational document for risk management. It defines processes, ownership, strategies, and baselines, and must be developed first before other detailed risk actions. PMBOK Guide specifies:
" The risk management plan is the key document that outlines the approach, processes, roles, responsibilities, and documentation requirements for risk management. "
- PMBOK Guide, 6th Edition, Section 11.1
References:
PMBOK Guide, 6th Edition, Section 11.1

NEW QUESTION: 25
The risk manager is facilitating risk planning activities with the team. The team is documenting all the check points along the way that might indicate delays on critical deliverables.
What is this an example of?
A. Risk responses
B. Risk triggers
C. Risk registers
D. Risk categories
Answer: (SHOW ANSWER)
The team is documenting all the checkpoints along the way that might indicate delays on critical deliverables, which is an example of risk triggers. Risk triggers are events or conditions that indicate a risk may be about to occur or has already occurred, helping the project team to monitor and respond to risks effectively.

Risk triggers are indicators or warning signs that a risk event is about to occur or has occurred. They help to monitor the status of risks and initiate risk responses when needed. Documenting risk triggers is part of the Plan Risk Responses process, which aims to develop options and actions to enhance opportunities and reduce threats to project objectives. References: The Standard for Risk Management in Portfolios, Programs, and Projects, page 78; PMBOK Guide, 6th edition, page 402.

NEW QUESTION: 26
Some issues and unexpected results were found after completing the first phase of a project. The project team is planning the next phase and team members want to avoid the previous issues. What should the risk manager do to avoid the previous issues?
A. Use the information for a risk workshop.
B. Improve monitoring and controlling of activities.
C. Document the issues in the lessons learned.
D. Create an issue log to share with the team.
Answer: A (LEAVE A REPLY)
According to the PMI Risk Management Professional (PMI-RMP) Examination Content Outline1, one of the tasks in the domain of Risk Identification is to use the information from project documents, lessons learned, and other sources to facilitate the risk identification process1. A risk workshop is a tool and technique for risk identification that involves bringing together the project team, stakeholders, subject matter experts, and risk management experts to identify and analyze the project risks in a structured and collaborative manner2. In this scenario, the risk manager should use the information from the issues and unexpected results found in the first phase of the project for a risk workshop, to avoid the previous issues in the next phase. The risk workshop will help the risk manager and the project team to identify the root causes of the issues, assess their probability and impact, and develop appropriate risk responses. The risk workshop will also enable the risk manager to update the risk register and the risk report with the new information and communicate the risk status to the relevant stakeholders. The risk manager should not improve monitoring and controlling of activities, because that is not a specific action to avoid the previous issues, but rather a general practice that should be done throughout the project life cycle3. The risk manager should not document the issues in the lessons learned, because that is not enough to avoid the previous issues, but rather a way to capture and share the knowledge gained from the project for future reference4. The risk manager should not create an issue log to share with the team, because that is not a proactive risk management technique, but rather a reactive way to track and resolve the issues that have already occurred5. References: 1: PMI Risk Management Professional (PMI-RMP) Examination Content Outline, page 82: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 4003: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 4564: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 1005: What Is an Issue Log? Templates & Tips6.

NEW QUESTION: 27
A project team is preparing a project plan for a government-funded project with multiple stakeholders, including government employees. The project sponsor requests the risk manager estimates the potential costs associated with delays that may arise from government employees, due to bureaucratic processes and other administrative factors.
How should the risk manager approach this task?
A. Create a risk register to document all potential risks and estimated impacts, including delays due to government employees.
B. Develop a risk response plan that includes specific mitigation strategies for government-related delays.
C. Perform a quantitative risk analysis to determine the potential financial impact of government-related delays.
D. Conduct a qualitative risk analysis to assess the likelihood and impact of potential delays.
Answer: (SHOW ANSWER)
The correct answer is C. Perform a quantitative risk analysis to determine the potential financial impact of government-related delays.
The key phrase in this question is that the sponsor wants the risk manager to estimate the potential costs associated with delays . Once cost impact needs to be measured numerically, the appropriate approach is quantitative risk analysis . Quantitative analysis is used when the organization needs a numerical estimate of risk effects on project objectives such as cost and schedule.
In this case, the delays caused by bureaucratic and administrative processes need to be translated into potential financial impact. That means the risk manager should use quantitative techniques to evaluate possible cost exposure and support decision-making.
Why the other options are incorrect:
* A. Create a risk register to document all potential risks and estimated impacts, including delays due to government employees. The risk register is important for documentation, but it does not itself provide the analytical method needed to estimate financial impact in measurable terms.
* B. Develop a risk response plan that includes specific mitigation strategies for government-related delays. Response planning comes after the risk has been sufficiently analyzed. The question is specifically asking how to estimate the potential costs first.
* D. Conduct a qualitative risk analysis to assess the likelihood and impact of potential delays. Qualitative analysis helps rank or prioritize risks using relative scales such as low, medium, or high. It does not produce the detailed monetary estimate the sponsor requested.
Best-practice reasoning:
When management needs to understand the numeric cost consequences of uncertainty, quantitative analysis is the correct tool. It supports contingency planning, reserve estimation, and better-informed stakeholder decisions.
Reference-aligned basis:
This answer is consistent with standard risk management guidance that emphasizes:
* quantitative analysis for numerical evaluation of cost and schedule impacts,

* use of quantified exposure to support planning and decision-making,
* distinction between qualitative prioritization and quantitative estimation.
References:
PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide) , Perform Quantitative Risk Analysis PMI, Practice Standard for Project Risk Management ISO 31000, risk analysis and evaluation principles

NEW QUESTION: 28
While planning for project execution phase stakeholders are making decisions on how to respond to known and new risks. What artifact should the stakeholders prepare?
A. Issue log
B. Change log
C. Assumption log
D. Risk-adjusted back log
Answer: (SHOW ANSWER)
The stakeholders should prepare a risk-adjusted backlog when making decisions on how to respond to known and new risks. A risk-adjusted backlog helps prioritize work items based on their risk level and potential impact on the project.
A risk-adjusted backlog is an artifact that reflects the prioritization of the product backlog items based on their risk exposure. It is used to plan for the execution phase of an agile project, where the stakeholders can decide how to respond to known and new risks by selecting the most valuable and least risky items to deliver.
A risk-adjusted backlog can help the stakeholders to optimize the value delivery and reduce the uncertainty of the project outcomes. References: PMI, The Standard for Risk Management in Portfolios, Programs, and Projects, 2019, p. 113; PMI, Agile Practice Guide, 2017, p. 54.

NEW QUESTION: 29
A complex project that had hundreds of risks is almost done. The project manager is closing the risks as part of the closing process. One team member mentions that there are important documents to be updated.
Which document will need to be updated?
A. Lessons learned
B. Contingency register
C. Risk register
D. Issue log
Answer: (SHOW ANSWER)
When closing risks as part of the closing process, it is important to update the lessons learned document. This document captures the knowledge and experience gained during the project and can be valuable for future projects.
Lessons learned is a document that captures the knowledge gained from the project and can help improve the performance of future projects. It is one of the outputs of the project closure process

and should include information on the project risks, issues, and responses. Lessons learned can help identify the best practices and lessons to be applied or avoided in similar projects. Updating the lessons learned document is an important part of closing the risks as it can provide valuable insights for risk management. References: PMI, Project Risk Management, 2nd edition, 2019, p. 97-981

NEW QUESTION: 30

A risk manager is managing risks in a project. During the initial stages of project execution, a new risk is identified. There is a very small chance that this risk will occur and even if it occurs, the impact would be low.

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What should the risk manager do with this risk?

A. Put the risk on the watch list.

B. Seek guidance from subject matter experts (SMEs).

C. Ignore this risk as it is not critical.

D. Inform the stakeholders about this risk.

Answer: (SHOW ANSWER)

Since the probability and impact the risk are both low, it is appropriate to put the risk on the watch list. This allows the risk manager to monitor the risk without expending significant resources on it. A watch list is a list of low-priority risks that are not actively managed, but are monitored for changes. A watch list can help the risk manager to keep track of the risks that have low probability and low impact, and to reassess them periodically. Putting the risk on the watch list is the most appropriate action for the risk manager, as it allows him or her to document the risk and review it later. Seeking guidance from SMEs, ignoring the risk, or informing the stakeholders are not necessary actions for a low-priority risk, as they would consume time and resources that could be better spent on more critical risks. References: PMI Risk Management Professional (PMI-RMP) Examination Content Outline and Specifications1, page 10; A Guide to the Project Management Body of Knowledge (PMBOKGuide) - Sixth Edition, page 406.

NEW QUESTION: 31

An external vendor needs to be contracted to provide additional capacity and expertise to a project team to reduce the probability of delays in a project. The contracts department is raising a concern about confidentiality risks not addressed in the proposed contract and missing from the risk register.

What should the risk manager do next?

A. Assess the identified secondary risk.

B. Implement the risk response plan.

C. Implement the risk contingency plan.

D. Communicate the identified residual risk.

Answer: (SHOW ANSWER)

According to the PMI Risk Management Professional (PMI-RMP)Examination Content Outline1, a secondary risk is a risk that arises as a direct result of implementing a risk response to a specific

risk. In this case, the risk response is to contract an external vendor to provide additional capacity and expertise to the project team. The secondary risk is the confidentiality risk that the contracts department has identified. The risk manager should assess the secondary risk to determine its probability, impact, and priority, and to plan appropriate responses. This is part of the Perform Qualitative Risk Analysis and Plan Risk Responses processes in the PMBOKGuide2.
References: 1: PMI Risk Management Professional (PMI-RMP) Examination Content Outline 2: A Guide to the Project Management Body of Knowledge (PMBOKGuide)
- Sixth Edition

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NEW QUESTION: 32
A company has implemented a policy requirement for employees to use complex passwords and update them regularly. A few employees are unable to make the changes, which increases the likelihood of cybercriminals compromising their passwords.
What should the risk manager do?
A. Increase the residual risk monitoring.
B. Increase the inherent risk monitoring.
C. Reassess the inherent risk level.
D. Reassess the residual risk level.
Answer: (SHOW ANSWER)
Residual risk refers to the remaining risk after implementing risk responses or controls. In this scenario, despite the policy requiring complex passwords and regular updates, some employees' inability to comply increases the likelihood of password compromise. This non-compliance elevates the residual risk beyond acceptable levels. The risk manager should reassess the residual risk to determine its current status and evaluate whether additional controls or actions are necessary to mitigate the heightened threat. This reassessment ensures that the organization's risk management strategies remain effective and aligned with its security objectives.
PMI Risk Management Study Guide References:
The PMI-RMP Exam Preparation Study Guide defines residual risk as "the risk that remains after risk responses have been implemented," highlighting the need for continuous monitoring and reassessment to address any changes in risk exposure.

NEW QUESTION: 33
As a project approached completion, a risk manager conducted a risk response audit and verified the effectiveness of risk responses. What should the risk manager do next?
A. Close and communicate the results of the risk response actions.
B. Run a workshop to analyze the effectiveness of the risk plan.
C. Conduct a risk reserve analysis and document the results.
D. Verify that all risk response actions have been documented.
Answer: (SHOW ANSWER)
After verifying the effectiveness of the risk responses, the next step is to close out the risk response actions and communicate the results to relevant stakeholders. This ensures that the project team and stakeholders are aware of how risks have been managed and that any lessons learned can be applied to future projects. This aligns with PMI's emphasis on communication and documentation in risk management to ensure transparency and continuous improvement.

NEW QUESTION: 34
A project manager has requested the risk manager's support in deciding whether to purchase a new component to expedite project execution. The component price is US$100,000 and there is a 30% chance that it might not function as expected resulting in an additional US$50,000 cost However, if the component does work well the project will make a profit of USS500.000. If the component is not purchased, there is an 80% chance of failure with an impact of US$250 000. What should the risk manager recommend?
A. The new component should be purchased.
B. Both options are losses to the project.
C. Cost to expedite the execution is not worth the added risk.
D. Perform a Monte Carlo simulation to quantify the impacts.
Answer: (SHOW ANSWER)
To determine whether to purchase the new component, we can perform an Expected Monetary Value (EMV) analysis for both scenarios: purchasing the component and not purchasing it.
1. Purchasing the New Component:
Probability of Success: 70% (0.7)
Profit if Successful: US$500,000
EMV of Success: 0.7 * $500,000 = $350,000
Probability of Failure: 30% (0.3)
Additional Cost if Failed: US$50,000
EMV of Failure: 0.3 * (-$50,000) = -$15,000
Cost of Component: -$100,000
Total EMV: $350,000 (success) - $15,000 (failure) - $100,000 (cost) = $235,000
2. Not Purchasing the New Component:
Probability of Failure: 80% (0.8)
Cost if Failed: US$250,000
EMV of Failure: 0.8 * (-$250,000) = -$200,000

Probability of Success: 20% (0.2)
Profit if Successful: US$0 (assuming no additional profit without the component) EMV of Success: 0.2 * $0 = $0 Total EMV: $0 (success) - $200,000 (failure) = -$200,000 Comparing the two scenarios, purchasing the new component yields a positive EMV of $235,000, whereas not purchasing it results in a negative EMV of -$200,000. Therefore, from a risk management perspective, it is advisable to purchase the new component.
PMI Risk Management Study Guide References:
The PMI-RMP Exam Preparation Study Guide discusses the application of Expected Monetary Value (EMV) analysis in decision-making under uncertainty, providing a structured approach to evaluate potential financial outcomes.

NEW QUESTION: 35
A project team identified some risks in a project. Team members became interested in predicting the outcomes of their potential choices following their probability of occurrence.
Which technique should the risk manager use?
A. Cost-benefit analysis
B. Strengths, weaknesses, opportunities, and threats (SWOT) analysis
C. Decision tree analysis
D. Political, economic, social, technological, legal, and environmental (PESTLE) analysis
Answer: (SHOW ANSWER)

NEW QUESTION: 36
A newly appointed risk manager for a critical project is working with a project team to develop a risk management strategy. One team member suggested creating an influence diagram to help analyze the options, risks, outcomes, and their relationships. Another team member feels the influence diagram is not enough because this project is important and complex.
Which approach should the risk manager take to improve the quality of the project risk analysis?
A. Use brainstorming to identify more possible risks.
B. Use a Monte Carlo simulation to identify risks.
C. Use a work breakdown structure (WBS) to help analyze risks.
D. Use a qualitative or quantitative analysis to analyze identified risks.
Answer: D (LEAVE A REPLY)
The correct answer is D. Use a qualitative or quantitative analysis to analyze identified risks.
An influence diagram is useful for showing relationships among decisions, uncertainties, and outcomes, but it is not usually sufficient by itself for a complete risk analysis on a critical and complex project. Once risks are identified and their relationships are understood, the risk manager should perform qualitative and, where needed, quantitative analysis to assess probability, impact, priority, and potential effect on project objectives.
This makes option D the best answer because it directly strengthens the depth and rigor of the project's risk analysis. Qualitative analysis helps prioritize risks based on relative importance,

while quantitative analysis can estimate numeric effects on cost, schedule, or performance for the most significant risks.
Why the other options are incorrect:
* A. Use brainstorming to identify more possible risks. Brainstorming is mainly a risk identification technique, not the best answer for improving the quality of analysis after risks and relationships are already being examined.
* B. Use a Monte Carlo simulation to identify risks. Monte Carlo simulation is not used to identify risks.
It is a quantitative analysis technique used after risks and uncertainty inputs have already been identified.
* C. Use a work breakdown structure (WBS) to help analyze risks. A WBS can help organize project work and may support identification by revealing areas of uncertainty, but it is not the strongest answer for enhancing the actual quality of risk analysis.
Best-practice reasoning:
For important and complex projects, risk analysis should move beyond simple diagramming techniques and include formal qualitative and quantitative methods. This creates a more reliable basis for prioritization, response planning, and decision-making.
Reference-aligned basis:
This answer is consistent with standard risk management guidance that emphasizes:
* qualitative and quantitative techniques for deeper risk assessment,
* the use of analytical methods after risk identification,
* improved decision quality through structured analysis of uncertainty.
References:
PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide) , Perform Qualitative Risk Analysis and Perform Quantitative Risk Analysis PMI, Practice Standard for Project Risk Management ISO 31000, risk analysis and evaluation principles

NEW QUESTION: 37
A newly assigned risk manager realizes that a project has unrealistic funding and low resources. Which document should the risk manager review?
A. Risk assessment criteria
B. Project management plan
C. Project assumptions
D. Risk management plan
Answer: (SHOW ANSWER)
When a risk manager realizes that a project has unrealistic funding and low resources, the appropriate document to review is the Project Management Plan. The Project Management Plan includes detailed information about the project's budget, resources, and overall strategy. By reviewing this plan, the risk manager can identify any discrepancies between the planned and actual resources and funding, allowing them to assess the associated risks and take necessary corrective actions.

PMI's standards indicate that the Project Management Plan is the primary document that outlines how the project will be executed, monitored, and controlled, including how resources and budgets are allocated.

NEW QUESTION: 38

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A project manager is identifying risks on a project and decides to use a risk checklist to gather historical data accumulated from similar projects. With several different historical project files to choose from, which two pieces of information should the project manager include in their risk checklist? (Choose two.)

A. Budget variance data from previously completed projects.

B. Project scope and cost management plans from previous projects.

C. Lessons learned from similar completed projects.

D. Previous project risks that may be relevant to this project.

E. Stakeholder analysis metrics from projects with similar risk profiles.

Answer: (SHOW ANSWER)

A risk checklist is a tool for identifying risks based on historical information and knowledge from similar projects. It is a list of potential risk sources or categories that can be used to prompt the project team to consider possible risks that may affect the project. A risk checklist should include information that is relevant and useful for identifying risks, such as lessons learned from similar completed projects and previous project risks that may be relevant to this project. These two pieces of information can help the project manager to learn from past experiences and avoid repeating the same mistakes or overlooking the same threats or opportunities. A risk checklist should not include information that is not directly related to risk identification, such as budget variance data from previously completed projects, project scope and cost management plans from previous projects, or stakeholder analysis metrics from projects with similar risk profiles. These pieces of information may be useful for other aspects of project management, such as planning, monitoring, or controlling, but they are not helpful for identifying risks on a project.
References: PMI. (2017). A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition. Chapter 11: Project Risk Management, p. 397. 5 Lessons learned and previous project risks are valuable sources of information for creating a risk checklist.
They provide insights into potential risks that may impact the current project and help the project manager develop appropriate risk responses. Budget variance data, project scope and cost management plans, and stakeholder analysis metrics, although useful, are not directly related to risk identification. (Reference: Project Management Institute. A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, Section 11.2)

NEW QUESTION: 39

During the construction of a housing development, a project team realizes they exceeded their materials budget during the first of three execution stages. The risk manager observed that the

team did not notice that the cost of the materials increased due to continuous inflation in the steel market.
What could have been done during project planning to avoid overspending?
A. Met weekly with the finance team to monitor the cost
B. Communicated with the stakeholders that the project costs might increase
C. Properly documented the triggers and actions for the risk
D. Engaged with the sponsor to buy the steel in advance of the project
Answer: (SHOW ANSWER)
To avoid overspending due to the unanticipated increase in material costs, the project team should have properly documented the triggers and actions for the risk. By identifying and documenting triggers-such as market conditions that could lead to price increases-the team could have monitored these triggers more closely and taken preemptive action, such as locking in prices or adjusting the budget accordingly.
PMI recommends that triggers for risks be identified and documented during the planning phase so that appropriate monitoring and responses can be implemented as part of the risk management plan.

NEW QUESTION: 40
The risk manager conducted an updated Monte Carlo simul-ation for the project at the end of a phase. The simul-ation reveals a key activity is now on the critical path.
What recommendation should the risk manager make to the project manager?
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A. Add more float to the key activity
B. Add more contingency to the project
C. Review the plans for the key activity
D. Increase the budget for the key activity
Answer: (SHOW ANSWER)
The risk manager should recommend that the project manager review the plans for the key activity, as this will help identify potential issues and opportunities to improve the activity's performance and reduce its impact on the critical path.
The risk manager should recommend the project manager to review the plans for the key activity, which is now on the critical path according to the Monte Carlo simulation. The critical path is the sequence of activities that determines the minimum possible duration of the project. Any delay on the critical path will affect the project completion date. Therefore, it is important to review the plans for the key activity and identify any potential risks, issues, or opportunities that may affect its performance. The risk manager and the project manager should also evaluate the feasibility and effectiveness of any risk response strategies for the key activity, such as fast-tracking, crashing, or resource optimization. The other options are not appropriate recommendations for the risk manager to make. Adding more float to the key activity is not possible, since the critical path has zero float by definition. Adding more contingency to the project may not address the specific risks or issues related to the key activity. Increasing the budget for the key activity may not improve its duration or quality, and may also increase the project cost baseline unnecessarily.

References: PMI Risk Management Professional (PMI-RMP) Examination Content Outline and Specifications, page 91. A Guide to the Project Management Body of Knowledge (PMBOKGuide) - Sixth Edition, pages 215-2162. Project Critical Path Analysis Using Monte Carlo Simulation3.

NEW QUESTION: 41
A risk manager on an infrastructure project gathers and analyzes performance data. The risk manager wants to identify which variables will impact the schedule and determine how these factors interact.
Which data analysis tool should the risk manager use to forecast future performance?
A. Sensitivity analysis
B. What-if scenario analysis
C. Regression analysis
D. Decision tree analysis
Answer: (SHOW ANSWER)
Regression analysis is a data analysis tool that helps identify variables that impact the schedule and determine how these factors interact. It is used to forecast future performance based on historical data and the relationship between variables. (Reference: PMBOK Guide, 6th Edition, p. 248) According to the PMI Risk Management Professional (PMI-RMP) Reference Materials, regression analysis is a data analysis tool that examines the relationship between one or more independent variables and a dependent variable1. Regression analysis can be used to forecast future performance based on historical data and trends2. In this case, the risk manager wants to identify which variables will impact the schedule (the dependent variable) and determine how these factors interact (the independent variables). Therefore, the risk manager should use regression analysis to create a mathematical model that can predict the schedule performance based on the values of the variables. Regression analysis can also help the risk manager to assess the significance and strength of the relationship between the variables and the schedule3. References: 1: PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide), Sixth Edition, 2017, p. 720 2: PMI, Practice Standard for Project Risk Management, 2009, p. 95 3: Tips and Tricks for Passing the Risk Management Professional (PMI-RMP ...

NEW QUESTION: 42
The project director and project manager have met with the board and determined that the project has depleted the entire contingency reserve and has started eroding the profit margin.
The project manager would like the risk manager to take full advantage of opportunities.
Which response should the risk manager take?
A. Mitigate
B. Accept
C. Transfer
D. Exploit
Answer: (SHOW ANSWER)

The risk manager should choose to exploit opportunities, as this response aims to maximize the positive effects of opportunities, which can help recover the project's contingency reserve and profit margin.
Exploit is a positive risk response strategy that aims to ensure that the opportunity is realized 1. It involves eliminating the uncertainty associated with a particular upside risk and making it happen 2. For example, if there is an opportunity to reduce the project cost by using a cheaper supplier, the project manager can exploit it by signing a contract with the supplier and securing the savings. Exploit is the opposite of avoid, which is a negative risk response strategy that seeks to eliminate the threat or protect the project from its impact 2.
The other options are not appropriate for taking full advantage of opportunities. Mitigate is a negative risk response strategy that reduces the probability and/or impact of a threat 2. It is the opposite of enhance, which is a positive risk response strategy that increases the probability and/or impact of an opportunity 1. Accept is a risk response strategy that involves acknowledging the risk and not taking any action unless the risk occurs 2.
It can be applied to both threats and opportunities, but it does not actively pursue them. Transfer is a negative risk response strategy that shifts the impact of a threat to a third party, along with ownership of the response 2. It is the opposite of share, which is a positive risk response strategy that allocates ownership of an opportunity to a third party who is best able to capture it for the benefit of the project 1.
References: 1: How To Exploit and Enhance Project Opportunities - Project Risk Coach 2 2: A Guide to the Project Management Body of Knowledge (PMBOKGuide) - Sixth Edition, page 443-4451

NEW QUESTION: 43
During a project ' s planning phase, the project team identifies a potential supplier delay and marks it as a significant risk. A risk manager is tasked with effectively monitoring this risk.
What should the risk manager document as the risk trigger?
A. The probability and impact rating of the supplier ' s delay on the project
B. The response strategy, such as increasing inventory or finding an alternative supplier
C. The specific event or condition, such as the supplier missing a delivery deadline
D. The threshold for acceptable delay, such as a maximum of three days before impacting project milestones
Answer: (SHOW ANSWER)
A risk trigger is a specific event or condition that signals that a risk is about to occur or has occurred.
PMBOK Guide clarifies:
" Risk triggers (sometimes called warning signs) are indicators or symptoms that a risk event is about to occur. The risk register should include identified triggers for each risk. "
- PMBOK Guide, 6th Edition, Section 11.2.3.1
Thus, documenting the specific event or condition (such as the supplier missing a delivery deadline) is the correct approach.

References:
PMBOK Guide, 6th Edition, Section 11.2.3.1
Practice Standard for Project Risk Management, PMI, Section 5.3

NEW QUESTION: 44
A risk manager is preparing for the first meeting with their project sponsor on a potential project for a large client. The risk manager reviews their newly developed project risk register to identify any risks that should be analyzed further and begins by prioritizing the probability column based on the following criteria:
1 = Very Low
2 = Low
3 = Medium
4 = High
5 = Very High
What type of risk analysis is the risk manager performing?
A. Scenario-based risk analysis
B. Quantitative risk analysis
C. Qualitative risk analysis
D. Monte Carlo analysis
Answer: (SHOW ANSWER)
The risk manager is performing a qualitative risk analysis by prioritizing risks based on their probability of occurrence. Qualitative risk analysis involves evaluating and prioritizing risks based on their likelihood and impact using a predefined scale. This approach helps in determining which risks require more attention and should be subjected to further analysis or immediate action.
PMI defines qualitative risk analysis as a process that uses a relative scale to assess the probability and impact of risks, which is what is being done in this scenario.

NEW QUESTION: 45
The project manager has completed four projects all with similar scope. The project manager has recently been assigned to start on a new project and believes some risks may occur again on this project.
What should the project manager do?
A. Implement the risk response strategies into the risk plan.
B. Inform the sponsor that these risks should be added according to experience.
C. Add the risks to the risk register and determine a contingency.
D. Discuss and evaluate the identified risks with the project team.
Answer: (SHOW ANSWER)
The project manager should discuss the identified risks with the project team to ensure that everyone is aware of the potential risks and can provide input on the likelihood and impact of each risk. This collaborative approach will help in developing a comprehensive risk management plan.

The project manager should discuss and evaluate the identified risks with the project team, as this is part of the risk identification process. The project manager can use their experience from previous projects to identify potential risks that may occur again on the new project, but they should also involve the project team to obtain their input and perspectives. The project team can help the project manager to validate, refine, and prioritize the identified risks, as well as to suggest possible risk responses. The project manager should document the identified risks and their characteristics in the risk register, which is a tool for risk management. The other options are not appropriate actions for the project manager to take. Implementing the risk response strategies into the risk plan is premature, as the project manager should first analyze and evaluate the risks before deciding on the best response strategies. Informing the sponsor that these risks should be added according to experience is not sufficient, as the project manager should also consult the project team and other stakeholders to ensure that all relevant risks are identified and assessed. Adding the risks to the risk register and determining a contingency is part of the risk analysis and response planning processes, which come after the risk identification process. The project manager should first discuss and evaluate the identified risks with the project team before moving to the next steps of risk management. References: 2, 3, [5]

NEW QUESTION: 46

The risk manager notices that in their workshops, most of the risks identified are threats. What should the risk manager do to increase the number of opportunities identified?

A. Use the Delphi technique involving experts who have identified opportunities in the past

B. Interview more stakeholders who have a positive mindset

C. Conduct a strengths, weaknesses, opportunities, and threats (SWOT) analysis

D. Conduct a political, economic, sociological, technological, legal, and environmental (PESTLE) analysis

Answer: (SHOW ANSWER)

The risk management plan is a document that describes how risk management activities will be structured and performed on a project. It defines the roles and responsibilities, risk categories,risk appetite and thresholds, risk identification and analysis methods, risk response strategies, risk monitoring and reporting mechanisms, and risk governance mechanisms1. The risk management plan should be aligned with the project management plan, which defines the project scope, schedule, cost, quality, and other aspects2. When an organization decides to accelerate a key project, it means that the project objectives, assumptions, constraints, and environment have changed. This will affect the risk exposure and profile of the project, as well as the risk management approach and resources. Therefore, the first action for the project risk manager to take is to revise the risk management plan to reflect the new situation and ensure that the risk management process is still effective and efficient. Revising the risk management plan may involve updating the risk categories, risk appetite and thresholds, risk identification and analysis methods, risk response strategies, risk monitoring and reporting mechanisms, and risk governance mechanisms to suit the accelerated project. The project risk manager should also communicate the revised risk management plan to the relevant stakeholders and obtain their

approval and support1. Ensuring sufficient resources are available, updating the risk register, and meeting with the project's stakeholders are all important actions to take when accelerating a project, but they are not the first action. These actions should be done after revising the risk management plan, as they depend on the updated risk management approach and process. For example, the project risk manager may need to allocate more resources to risk management activities, identify and analyze new or changed risks, implement new or modified risk responses, and report therisk status and performance to the stakeholders based on the revised risk management plan1. References: 2, 1.

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NEW QUESTION: 47
When selecting strategies as an activity of Plan Risk Response, what is the overall goal?
A. Select the strategies with the least overall impact to resources.
B. Select the strategies with the least financial impact.
C. Select the strategies with the greatest overall positive influence.
D. Select the strategies with the greatest benefit to stakeholders.
Answer: (SHOW ANSWER)
The overall goal of selecting strategies during the Plan Risk Response activity is to choose those strategies that have the greatest overall positive influence on the project, considering factors such as cost, schedule, and resources.
According to the PMI Risk Management Professional (PMI-RMP)Examination Content Outline1, one of the tasks in the domain of Risk Response is to select risk response strategies based on the risk appetite and tolerance of the organization and stakeholders1. The overall goal of selecting risk response strategies is to select the strategies with the greatest overall positive influence on the project objectives, such as scope, schedule, cost, quality, etc. The risk response strategies should aim to enhance the opportunities and reduce the threats to the project, while considering the cost-benefit analysis, the feasibility, and the alignment with the project goals and stakeholder expectations2. The risk response strategies should not be selected based on the least overall impact to resources, because that may not be the most effective or efficient way to address the risks, and it may ignore the potential benefits of some strategies that may require more resources but also deliver more value3. The risk response strategies should not be selected based on the least financial impact, because that may not be the most relevant or comprehensive criterion to evaluate the risks, and it may overlook other aspects of the project, such as quality,

customer satisfaction, reputation, etc. that may also be affected by the risks4. The risk response strategies should not be selected based on the greatest benefit to stakeholders, because that may not be the most realistic or achievable goal, and it may create conflicts or trade-offs among different stakeholder groups that may have different or competing interests, needs, and expectations5. References: 1: PMI Risk Management Professional (PMI-RMP)Examination Content Outline, page 102: A Guide to the Project Management Body of Knowledge (PMBOKGuide) - Sixth Edition, page 4403: A Guide to the Project Management Body of Knowledge (PMBOKGuide) - Sixth Edition, page 4414: A Guide to the Project Management Body of Knowledge (PMBOKGuide) - Sixth Edition, page 4425: A Guide to the Project Management Body of Knowledge (PMBOKGuide) - Sixth Edition, page 518.

NEW QUESTION: 48
Stakeholder deliverable reviews will start soon and additional work is expected to resolve any issues or required adjustments. Budget overruns during execution have put serious constraints on the remainder of the project's budget.
What should the project manager do next?
A. Request a budget relief using the management reserve.
B. Conduct a risk reassessment and reserve analysis.
C. Review the consequences of potential changes.
D. Coach stakeholders on risk identification practices.
Answer: (SHOW ANSWER)
The project manager should reassess the risks and analyze the reserve to determine if any adjustments can be made to accommodate the expected additional work. This will help in identifying potential budget-saving measures and making informed decisions on how to proceed. According to the PMI Risk Management Professional (PMI-RMP) Reference Materials, risk reassessment is the process of reanalyzing existing project risks and identifying new risks throughout the project life cycle1.
Reserve analysis is the process of estimating the amount of contingency reserve and management reserve needed to account for the uncertainty and variability of the project2. In this case, the project manager should conduct a risk reassessment and reserve analysis as the next step, because the budget overruns during execution have changed the risk profile of the project and reduced the available funds to handle future risks.
By conducting a risk reassessment, the project manager can update the risk register and the risk response plan with the current status of the project risks and the effectiveness of the risk responses. By conducting a reserve analysis, the project manager can determine if the remaining contingency reserve and management reserve are sufficient to cover the potential impact of the project risks, and request additional funds if needed.
References: 1: PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide), Sixth Edition, 2017, p. 442 2: PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide), Sixth Edition, 2017, p. 215

NEW QUESTION: 49
An organization performs an annual strategies and initiatives workshop during which a strengths, weaknesses, opportunities, and threats (SWOT) analysis is being conducted. As part of this process the functional managers identify the opportunities and threats.
What should the risk manager do next?
A. Add only the threats to the risk register
B. Utilize different tools to identify the risks
C. Plan risk responses to the threats
D. Update the risk register with the identified risks
Answer: (SHOW ANSWER)
The risk manager should update the risk register with both the opportunities and threats identified during the SWOT analysis. This will help in tracking and managing all potential risks throughout the project lifecycle.
Update the risk register with the identified risks Comprehensive and Detailed Explanation: According to the PMI Risk Management Professional (PMI-RMP) Examination Content Outline1, one of the tasks in the domain of Risk Identification is to update the risk register with identified risks, causes, categories, and potential responses1. A risk register is a document used to track and report on project risks and opportunities throughout the project's life cycle2. In this scenario, the risk manager should update the risk register with the identified risks, both opportunities and threats, that result from the SWOT analysis. The risk manager should also include the causes, categories, and potential responses for each risk, as well as other relevant information such as probability, impact, priority, owner, etc. The risk manager should not add only the threats to the risk register, because opportunities are also a type of risk that can have a positive effect on the project objectives and should be recorded and managed accordingly3. The risk manager should not utilize different tools to identify the risks, because the SWOT analysis is a valid and useful tool for risk identification and there is no indication that it was insufficient or inappropriate for the project context4. The risk manager should not plan risk responses to the threats, because that is a separate process that comes after risk identification and requires further analysis and evaluation of the risks5. References: 1: PMI Risk Management Professional (PMI-RMP) Examination Content Outline, page 82: Risk Register in Project Management - Project Management Academy63: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 3974: How to Perform a SWOT Analysis - Project Risk Coach25: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 440.

NEW QUESTION: 50
A risk manager completed risk response planning for a project that is currently in the execution phase. During a periodic review of the risk register, the project manager recognizes that some key secondary risks have not been considered.
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Who should the project manager hold accountable for missing the risks?
A. The audit team
B. The risk manager

C. The risk owners
D. The discipline engineers
Answer: (SHOW ANSWER)
The risk manager is responsible for ensuring that all risks, including secondary risks, are identified and addressed during the risk response planning process. If key secondary risks were missed, the risk manager should be held accountable. (Reference: Project Management Institute. A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, Section 11.5) The risk manager is responsible for identifying and analyzing risks, as well as planning and implementing risk responses. Secondary risks are those risks that arise as a direct result of implementing a risk response to a specific risk. The risk manager should have considered the potential secondary risks during the risk response planning and updated the risk register accordingly. The project manager should hold the risk manager accountable for missing the secondary risks and ensure that they are properly addressed12
1: PMI Risk Management Professional (PMI-RMP) Handbook, page 10 2: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Seventh Edition, page 11.2.2.1

NEW QUESTION: 51
A project manager works on a long-term and high visibility project at an organization that has a low risk appetite towards this project due to its impact on the company's business. The project sponsors follow up weekly with the project manager, who was just informed by one of the risk owners that the exposure from two high-impact risks are hitting the risk thresholds.
What should the project manager do next?
A. Update the project management plan to add contingency.
B. Perform an assumptions and constraints analysis.
C. Complete an assessment and confirm the response with the sponsors.
D. Implement mitigation measures for those risks.
Answer: (SHOW ANSWER)
According to the PMBOK Guide, 6th edition, Section 11.4.3.1, Risk Thresholds, risk thresholds are the level of risk exposure above which risks are addressed and below which risks may be accepted. Risk thresholds are determined by the organization's risk appetite, which is the degree of uncertainty that an organization is willing to accept in pursuit of its goals. Therefore, when the project manager is informed by the risk owner that the exposure from two high-impact risks are hitting the risk thresholds, the project manager should complete an assessment and confirm the response with the sponsors, who are the key stakeholders for the project and have a low risk appetite. The project manager should not update the projectmanagement plan, perform an assumptions and constraints analysis, or implement mitigationmeasures without first consulting with the sponsors and obtaining their approval. References: PMBOK Guide, 6th edition, Section 11.4.3.1, Risk Thresholds

NEW QUESTION: 52

A project manager has requested a risk manager facilitate risk identification on a project. While facilitating this effort, the project manager wants to ensure that stakeholders interact and provide their expertise so that an exhaustive list of risks is created.
Which risk identification technique should the risk manager use?
A. Prompt lists
B. Interviews
C. Delphi technique
D. Nominal group technique
Answer: (SHOW ANSWER)
The risk identification technique that the risk manager should use is the nominal group technique. This technique involves bringing stakeholders together to brainstorm potential risks and then ranking them based on their importance. This allows for interaction and collaboration among stakeholders, which can help ensure that an exhaustive list of risks is created.
The nominal group technique is a risk identification technique that involves the interaction and collaboration of stakeholders to generate an exhaustive list of risks. It is a structured process that allows each participant to share their ideas independently, then rank and prioritize them as a group. This technique ensures that all opinions are considered and reduces the influence of dominant or biased individuals12
1: PMI Risk Management Professional (PMI-RMP) Handbook, page 10 2: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Seventh Edition, page 11.2.2.1

NEW QUESTION: 53
A new company initiates a project to incorporate a cybersecurity team. Which three documents should the risk manager analyze first? (Choose 3)
A. Industry's standard procedures
B. Current request for proposal (RFP)
C. Company's historical financial reports
D. IT infrastructure, networks, and data information
E. Government laws and regulations
Answer: (SHOW ANSWER)
When initiating a project to incorporate a cybersecurity team, the risk manager should first analyze the following documents:
Industry's standard procedures: Understanding industry best practices and standards is critical for setting up a cybersecurity team, as these procedures will guide the development of secure processes and protocols.
IT infrastructure, networks, and data information: Analyzing the current IT infrastructure is essential to identify vulnerabilities, assess risks, and plan for the necessary security measures that the cybersecurity team will manage.
Government laws and regulations: Cybersecurity is a highly regulated area. Understanding the relevant laws and regulations ensures that the project complies with all legal requirements and avoids potential penalties.

These documents provide the necessary foundation to assess the risks and develop a comprehensive cybersecurity strategy.

NEW QUESTION: 54
A project to deploy a new technology in field offices across the country has just been initiated. Some stakeholders are not supportive of this project because their teams will potentially be impacted by staff reductions once the technology is implemented.
How should the risk manager address this concern?
A. Invite these stakeholders to regular meetings to engage them in the definition of project assumptions.
B. Identify new stakeholders who might replace those involved thus far and are more closely aligned to the project goals.
C. Review the risk thresholds to potentially accommodate the concerns raised by these stakeholders.
D. Perform a stakeholder analysis to determine their interests and how they should be taken into account.
Answer: (SHOW ANSWER)
When stakeholders are concerned about the potential impact of a project, such as staff reductions, the risk manager should perform a stakeholder analysis. This analysis will help identify the stakeholders' interests, their levels of influence, and how their concerns should be addressed in the project plan. By understanding these factors, the project team can develop strategies to engage stakeholders effectively, address their concerns, and increase project support. PMI emphasizes the importance of stakeholder analysis in risk management as it helps in aligning stakeholder expectations with project goals.

NEW QUESTION: 55
During the risk management planning, key stakeholders recommend adding more factors other than probability and the impact to refine the score of prioritized threats in subsequent iterations of the qualitative risk analysis. The stakeholders ask the risk manager to prepare a list to discuss this further.
Which three valid factors should the risk manager prepare on the list for discussion? (Choose 3)
A. Compatibility
B. Urgency
C. Usability
D. Proximity
E. Detectability
Answer: (SHOW ANSWER)
In qualitative risk analysis, in addition to probability and impact, other factors can be used to refine the risk prioritization. Three valid factors to consider are:

1. Urgency: This refers to the timeframe within which a risk is likely to occur or the speed at which it might impact the project. High urgency risks require quicker responses, making them more critical in prioritization.
2. Proximity: This factor considers the time until the risk might affect the project. Risks that are likely to occur sooner may be given higher priority because they may require immediate attention.
3. Detectability: This assesses how easily the presence or impact of a risk can be identified. Risks that are hard to detect might be more dangerous and may require more resources to monitor and manage.
These factors are mentioned in PMI's guidelines for qualitative risk analysis as they provide a more nuanced view of risks beyond just probability and impact, allowing for more targeted and effective risk management strategies.

NEW QUESTION: 56
A risk manager is working with a key project stakeholder who is concerned about the likelihood of quality issues such as product defects or process anomalies. The stakeholder has a low tolerance for any defects. The risk manager needs to tailor the risk management strategy to accommodate the stakeholder ' s risk appetite.
What should the risk manager do?
A. Use Lean Six Sigma processes to ensure there are no defects.
B. Request more funds in the risk reserve for defect management.
C. Refine probability definitions to align with the stakeholder ' s risk tolerance.
D. Conform to the stakeholder ' s risk tolerance levels by using Lean principles.
Answer: (SHOW ANSWER)
The correct answer is C. Refine probability definitions to align with the stakeholder ' s risk tolerance.
The scenario is about tailoring the risk management strategy to a stakeholder with very low tolerance for defects . The best way to reflect this in the risk framework is to adjust how risk is defined and assessed, including probability and impact criteria, so that even relatively small chances of defects receive appropriate attention.
This is more appropriate than simply requesting more money or adopting a broad quality method. The key issue is alignment of the project's risk criteria with stakeholder tolerance.
Why the other options are incorrect:
* A. Use Lean Six Sigma processes to ensure there are no defects. No method can guarantee zero defects. Also, the question is about tailoring risk strategy, not promising perfection.
* B. Request more funds in the risk reserve for defect management. More reserve may help later, but it does not directly tailor the risk criteria to the stakeholder's low tolerance.
* D. Conform to the stakeholder ' s risk tolerance levels by using Lean principles. Lean principles focus on waste reduction and process efficiency, not specifically on setting project risk thresholds and definitions.
Reference-aligned basis:

This answer is consistent with standard risk planning guidance that risk criteria, probability scales, and thresholds should reflect stakeholder appetite and tolerance.
References:
PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide) , Plan Risk Management PMI, Practice Standard for Project Risk Management ISO 31000, risk criteria and stakeholder consultation

NEW QUESTION: 57
A project team does not understand why a very low probability risk occurred during project execution. The team was especially vigilant about planning for this type of risk during the risk planning phase. The project has been delayed by 2 months, and the stakeholders are considering canceling the project. The risk manager needs to demonstrate that the project can be concluded.
Which analysis should the risk manager perform to demonstrate this to the stakeholders'?
A. Monte Carlo analysis
B. Pareto analysis
C. Ishikawa analysis
D. Qualitative risk analysis
Answer: (SHOW ANSWER)
In this scenario, a low-probability risk has occurred, leading to a significant project delay. To demonstrate to stakeholders that the project can still be concluded successfully, it's essential to identify the root cause of this unexpected event. An Ishikawa diagram, also known as a fishbone diagram or cause-and-effect diagram, is a tool that helps in identifying the various potential causes of a specific problem or effect. By systematically exploring all possible causes, the project team can pinpoint the underlying issues that led to the risk event.
Understanding these root causes enables the team to implement corrective actions and preventive measures, thereby assuring stakeholders of the project's viability and the team's commitment to addressing unforeseen challenges effectively.
PMI Risk Management Study Guide References:
The PMI-RMP Exam Preparation Study Guide emphasizes the importance of root cause analysis in risk management, stating that tools like the Ishikawa diagram are instrumental in uncovering the fundamental reasons behind unexpected risk events, which is crucial for developing effective mitigation strategies.

NEW QUESTION: 58
At an oil and gas company, a major unified management information system is to be implemented. The project manager noted that risks gathered from the organization's business functions are not properly identified and categorized, making it difficult to develop an effective risk response.
How should the project manager handle this situation?
A. Outsource conducting the risk response plan to risk consultants.
B. Ask functional managers to improve their risk register and process.

C. Adjust the risk response plans to effectively handle the identified risks.
D. Coach the functional groups on how to properly conduct the process.
Answer: D (LEAVE A REPLY)
The project manager should provide guidance and coaching to the functional groups on how to properly identify and categorize risks. This will help improve the quality of the risk register and ensure an effective risk response plan can be developed.
The project manager should coach the functional groups on how to properly conduct the process of identifying and categorizing risks, as this will help to improve the quality and consistency of the risk information and to facilitate the development of an effective risk response plan. The project manager should also provide guidance and support on how to use the appropriate tools and techniques, such as risk breakdown structure, risk taxonomy, risk checklists, risk interviews, and risk workshops, to elicit and document the risks from different perspectives and sources. By coaching the functional groups, the project manager can also enhance their risk awareness and ownership, and foster a collaborative risk culture within the project. References: The Standard for Risk Management in Portfolios, Programs, and Projects, page 71-72; PMBOK Guide, 6th edition, page 397-398.

NEW QUESTION: 59
The project team recorded a risk in the risk register indicating that weather-related delays may impact equipment delivery during project execution. When it is time to request the equipment shipment there is bad weather, but the client wants the equipment delivered anyway.
What should the project manager do?
A. Wait until the weather improves before sending the equipment.
B. Ask the project sponsor to approve shipping the equipment.
C. Proceed with the planned risk response to move the equipment.
D. Request the shipment of the equipment to satisfy the client.
Answer: C (LEAVE A REPLY)
The project manager should proceed with the planned risk response to move the equipment, as this is the best way to deal with the weather-related risk that was identified and recorded in the risk register. A risk register is a document that lists all the identified risks, their causes, impacts, probabilities, and responses for a project1. A risk response is a strategy or action that is taken to reduce the negative effects or enhance the positive effects of a risk event2. A risk response should be planned and executed according to the risk management plan, which is a document that describes how risk management activities will be structured and performed on a project3. The risk management plan should also define the roles and responsibilities, risk categories, risk appetite and thresholds, risk identification and analysis methods, risk response strategies, risk monitoring and reporting mechanisms, and risk governance mechanisms3. Therefore, the project manager should follow the risk management plan and the risk register to implement the planned risk response to move the equipment, as this is the most effective and efficient way to manage the risk and meet the project objectives. Waiting until the weather improves before sending the equipment, asking the project sponsor to approve shipping the equipment, or requesting the

shipment of the equipment to satisfy the client are not the best options to deal with the weather-related risk. Waiting until the weather improves may cause further delays and increase the cost and scope of the project, as well as damage the relationship with the client.
Asking the project sponsor to approve shipping the equipment may not be necessary or feasible, as the project sponsor may not have the authority or the availability to make such a decision.
Requesting the shipment of the equipment to satisfy the client may not be realistic or safe, as the bad weather may pose a threat to the quality and integrity of the equipment, as well as the health and safety of the people involved in the transportation. These options may also deviate from the risk management plan and the risk register, which may create confusion and inconsistency in the risk management process. References: 1, 2, 3.

NEW QUESTION: 60

The risk manager also serves as a facilitator for a project and realizes the project team members have biases impacting how they perceive risks. What analysis is currently being used?

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A. Quantitative risk analysis
B. Force field analysis
C. Qualitative risk analysis
D. Stakeholder analysis
Answer: (SHOW ANSWER)
The analysis currently being used is qualitative risk analysis. Qualitative risk analysis involves assessing risks based on their likelihood of occurrence and their potential impact on the project. This type of analysis can help identify biases that may be impacting how team members perceive risks.
Qualitative risk analysis is the process of prioritizing individual project risks for further analysis or action by assessing their probability of occurrence and impact as well as other characteristics. Qualitative risk analysis helps to identify the most significant risks that require attention and response planning. One of the tools and techniques used in qualitative risk analysis is risk data quality assessment, which evaluates the degree to which the data about individual project risks is useful for risk management. Risk data quality assessment considers various aspects of data quality, such as reliability, accuracy, integrity, precision, and bias. Bias is the tendency of human judgment to be influenced by personal or organizational preferences, assumptions, beliefs, or emotions, rather than by objective facts or evidence. Bias can affect how project team members perceive and assess risks, leading to inaccurate or incomplete risk analysis results. Therefore, the risk manager who realizes the project team members have biases impacting how they perceive risks is currently using qualitative risk analysis to prioritize the risks and assess the quality of risk data. References: PMI, Practice Standard for Project Risk Management, 2009, p. 37-38, 41-42.

NEW QUESTION: 61
The project manager is reviewing the lessons learned from a previous similar project. The previous project was delayed due to the delay in delivery of a gas turbine generator (GTG).

Construction of the previous project had to be shut down unexpectedly to wait for the late delivery of the GTG.
What should the project manager do first?
A. Include the risk in the register and communicate with the stakeholders.
B. Communicate with the client to provide the previous shutdown plan.
C. Review and update the project schedule.
D. Interview the other project manager to learn more details.
Answer: (SHOW ANSWER)
The project manager should first gather more information about the previous project's issues by interviewing the other project manager. This will help in understanding the root causes of the delay and how to prevent similar issues in the current project before taking further action.
The project manager should first include the risk of delay in delivery of the GTG in the risk register and communicate with the stakeholders about the potential impact and response strategies. This is part of the risk identification process, which is the first step in risk management. The risk register is a document that records the identified risks, their causes, effects, probabilities, impacts, and response plans. The project manager should communicate with the stakeholders to ensure that they are aware of the risk and its implications, and to obtain their feedback and support. The project manager should also update the risk register as new information becomes available or as the risk status changes. The other options are not the first actions that the project manager should take. Communicating with the client to provide the previous shutdown plan is part of the risk response process, which comes after the risk identification and analysis processes. Reviewing and updating the project schedule is part of the schedule management process, which is not directly related to risk management. Interviewing the other project manager to learn more details is a technique that can be used to identify risks, but it is not the first action that the project manager should take. The project manager should first document the risk in the risk register and communicate with the stakeholders before seeking more information from other sources. References: 3, 4, 5

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NEW QUESTION: 62
A risk manager and project team are managing a software system project, which is expected to be completed within 12 months. The project is currently halfway through, and the team has just delivered the second version of the prototype. During the weekly status meeting, a team member

reported that an important stakeholder is facing an issue, which will likely result in a change request that is outside the scope of the current prototype.
What should the risk manager advise the team to do first?
A. Mitigate the risk by asking the team member to gather more information.
B. Add the risk to the issue log and revisit it when there is more information.
C. Arrange a meeting with the stakeholder to discuss the risk and information.
D. Add the risk to the risk register and gather information about its probability and impact.
Answer: (SHOW ANSWER)
When a potential change request arises that could impact the project, the first step should be to document it as a risk in the risk register. This ensures that the risk is formally recognized and tracked. Gathering information about the probability and impact allows the project team to assess the risk thoroughly and develop an appropriate response. This approach follows PMI's risk management process, which emphasizes the importance of systematically identifying, documenting, and analyzing risks.
Top of Form
Bottom of Form

NEW QUESTION: 63
A company is preparing a formal response to bid for an infrastructure engineering, procurement, and construction project. When should a risk register be developed to identify risks?
A. During the project execution phase to allow the project manager to understand the risk attitudes of stakeholders.
B. When a client project kick-off meeting is held to introduce risk assessment process to the client.
C. Before a formal bid response is provided to the client to gain a greater understanding of the project's risk profile.
D. After a project budget is set up with a purchase order to charge hours for a risk workshop.
Answer: (SHOW ANSWER)
A risk register should be developed before submitting a formal bid response to help the company understand the project's risk profile and account for potential risks in their proposal. This allows the company to make informed decisions about cost, schedule, and resources. (Reference: Project Management Institute. A Guide to the Project Management Body of Knowledge (PMBOKGuide) - Sixth Edition, Section 11.2) A risk register is a document that is used as a risk management tool to identify potential setbacks within a project. A risk register is typically created at the start of a project (before it begins), and is regularly referenced and updated throughout the life of a project through deliberate risk monitoring and control1. A risk register is an important component of any successful risk management process and helps mitigate potential project delays that could arise. A risk register is shared with project stakeholders to ensure information is stored in one accessible place2. A risk register also helps to establish a hierarchy of risks, starting with the most impactful. The goal should be to have a path to mitigating those risks, reducing the harm they cause, or eliminating them. The register should also outline what's considered an

acceptable level of risk and how to set up insurance to help offset the impacts3. Therefore, a risk register should be developed before a formal bid response is provided to the client to gain a greater understanding of the project's risk profile. This will help to estimate the project costs, schedule, and scope more accurately and realistically, as well as to identify the contingency plans and reserves needed to deal with the potential risks. Developing a risk register during the project execution phase, when a client project kick-off meeting is held, or after a project budget is set up with a purchase order are all too late to effectively identify and manage the risks that could affect the project success. References: 2, 3, 1, 4

NEW QUESTION: 64
Multiple new risks have come up on a project that were not included on the risk register. The project manager met with the team to explain that risk management is critical for the success of the project, and risk identification is key.
What should the project manager do next?
A. Review assumptions and constraints around risks.
B. Develop the risk response plans for identified risks.
C. Determine the likelihood and impact of the risks.
D. Apply an iterative approach to risk identification.
Answer: (SHOW ANSWER)
The project manager should apply an iterative approach to risk identification, which involves continuous risk identification throughout the project lifecycle. This will help to identify and address new risks that may arise during the project.
According to the PMBOK Guide, risk identification is the process of determining which risks may affect the project and documenting their characteristics. It is an iterative process because new risks may evolve or become known only as the project progresses through its life cycle. There are many techniques available for risk identification and assessment, such as brainstorming, interviews, checklists, SWOT analysis, cause and effect diagrams, etc. The project manager should apply an iterative approach to risk identification to ensure that all relevant risks are captured and updated throughout the project. The project manager should also involve the project team and other stakeholders in the risk identification process to obtain their input and perspectives.
The other options are not valid for the next step after explaining the importance of risk management to the team:
Review assumptions and constraints around risks: This is a technique for risk identification, but it is not the only one. The project manager should use a combination of techniques to identify risks, not just focus on one aspect. Also, reviewing assumptions and constraints is not the same as applying an iterative approach, which implies repeating the risk identification process at regular intervals or when changes occur.
Develop the risk response plans for identified risks: This is a step in the Plan Risk Responses process, which comes after the Perform Qualitative Risk Analysis and Perform Quantitative Risk

Analysis processes. The project manager should not develop the risk response plans before identifying and analyzing the risks.
Determine the likelihood and impact of the risks: This is a step in the Perform Qualitative Risk Analysis process, which comes after the Identify Risks process. The project manager should not determine the likelihood and impact of the risks before identifying them.
PMBOK Guide1, Risk Management Professional (PMI-RMP) Cert Guide

NEW QUESTION: 65
A risk manager is reviewing documentation for a project following a risk planning workshop with project stakeholders and team members. Several items have been identified on the risk log that would be detrimental to project success, but the associated triggers cannot be managed by the organization and are unlikely to occur.
Which response should the risk manager recommend for these risk items?
A. Mitigate
B. Accept
C. Enhance
D. Exploit
Answer: (SHOW ANSWER)
According to the PMI Risk Management Professional (PMI-RMP) Examination Content Outline1, one of the tasks in the domain of Risk Response is to recommend risk response strategies based on the risk appetite and tolerance of the organization and stakeholders1. One of the strategies for negative risks or threats is risk acceptance, which involves acknowledging the existence of a threat and making a conscious decision to accept it without taking any action2. In this scenario, the risk manager should recommend risk acceptance for the risk items that would be detrimental to project success, but the associated triggers cannot be managed by the organization and are unlikely to occur. Risk acceptance is appropriate when the risk exposure is low, the cost of other responses is high, or the risk response is outside the scope or influence of the project3. The risk manager should not recommend risk mitigation, which involves reducing the probability and/or impact of a threat2. The risk manager should not recommend risk enhancement, which is a strategy for positive risks or opportunities, not negative risks or threats2. The risk manager should not recommend risk exploitation, which is also a strategy for positive risks or opportunities, not negative risks or threats2. References: 1: PMI Risk Management Professional (PMI-RMP) Examination Content Outline, page 102: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 4363: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 437.

NEW QUESTION: 66
A company manages confidential customer information, and a data breach exposing sensitive information was discovered. What should the risk manager do?
A. Execute the security risks contingency plan.
B. Get a report of customers affected by the risk.

C. Identify residual and secondary risks.
D. Coordinate a response with the risk owner.
Answer: (SHOW ANSWER)
According to the PMBOK Guide, the risk owner is the person assigned the responsibility of monitoring the risk and implementing the risk response plan. The risk owner should be involved in the risk response execution and evaluation, and should communicate the results and outcomes to the relevant stakeholders. In the case of a data breach, the risk owner should coordinate a response with the risk manager and other parties involved, such as the security team, the legal team, the customer service team, and the senior management.
The risk owner should also report the status of the risk and the effectiveness of the response plan to the risk manager. The risk manager should oversee the risk response process and ensure that the risk is handled appropriately and in alignment with the project objectives and stakeholder expectations. References: = PMBOK Guide, 6th edition, pages 452-453; The Standard for Risk Management in Portfolios, Programs, and Projects, page 79.

NEW QUESTION: 67
When approving the risk contingency budget for a project, the CEO notices each team has a different approach to report risks and their impacts. The CEO decides to create a new centralized risk management function to help resolve the problem.
How does centralizing the risk management function help resolve the problem?
A. Enhance the process of identification of different Individual project risks.
B. Allows monitoring the impact against the overall project risk exposure.
C. Establishes risk sources and ownership for trigger monitoring.
D. Creates a single repository for all project risk documents.
Answer: (SHOW ANSWER)
Centralizing the risk management function enables the organization to have a consistent approach to reporting risks and their impacts. This allows for better monitoring of the impact against the overall project risk exposure, which helps in making informed decisions and allocating resources effectively.
According to the PMI-RMP Exam Content Outline1, one of the tasks in the domain of risk governance is to
"establish and maintain a centralized risk management function to support the project and organizational objectives". A centralized risk management function can help resolve the problem of inconsistent risk reporting by providing a common framework, methodology, and standards for risk management across the organization. One of the benefits of centralizing the risk management function is that it allows monitoring the impact of individual project risks against the overall project risk exposure, as well as the organizational risk appetite and tolerance. This can help the CEO and other senior management to make informed decisions and allocate resources accordingly. Therefore, the best answer is B.
References: 1: PMI-RMP Exam Content Outline, page 6.

NEW QUESTION: 68
During the project ' s lifecycle, project risk managers must monitor any risks and address risk responses. What does this level of monitoring consist of?
A. Carry out the agreed risk response action should the risk occur.
B. Provide a numerical estimate of the overall effect of risk on the objectives.
C. Track identified risks and maintain the viability of response plans.
D. Develop the overall risk management strategy for risk integration.
Answer: (SHOW ANSWER)
Monitoring risks during a project ' s lifecycle involves tracking identified risks and ensuring that response plans remain viable and effective. This continuous monitoring helps ensure that the project is prepared to address risks as they arise and that the risk response strategies remain appropriate as the project progresses.
PMI guidelines stress the importance of ongoing risk monitoring to adapt to changes in the project environment and to ensure that the project remains on track to meet its objectives.

NEW QUESTION: 69
A project team has completed the risk identification steps in a project and compiled a list of 25 risks. The team wants to create response plans for all the risks to avoid any future issues, but the resources and constraints limit the options.
What should the risk manager do?
A. Perform a sensitivity analysis.
B. Perform a qualitative risk analysis.
C. Perform a constraint analysis.
D. Perform a root-cause analysis.
Answer: (SHOW ANSWER)
With 25 identified risks, and considering the constraints and resources available, the appropriate next step is to perform a qualitative risk analysis. This process helps prioritize the risks based on their probability and impact, as well as other relevant factors like urgency, proximity, and detectability. By doing so, the team can focus on the most significant risks that require immediate attention and develop response plans accordingly, optimizing the use of available resources. PMI recommends this approach to ensure that risk management efforts are both efficient and effective in addressing the most critical risks first.

NEW QUESTION: 70
A project team is developing a software system for a financial organization and is conducting a failure modes and effects analysis (FMEA) to identify and evaluate potential failure points. The risk manager must guide the team on how to prioritize risks based on FMEA results for effective risk management. What should the risk manager do?
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A. Direct the team to prioritize risks based solely on their likelihood to streamline the analysis.
B. Encourage the team to focus on documenting the most severe FMEA risks and disregard others.

C. Emphasize technical faults within the system as the highest priority for risk response planning.
D. Advise the team to prioritize risks using severity, occurrence, and detection ratings.
Answer: (SHOW ANSWER)
The correct answer is D. Advise the team to prioritize risks using severity, occurrence, and detection ratings.
In Failure Modes and Effects Analysis (FMEA) , risks are commonly evaluated using three core factors:
* Severity : how serious the effect would be if the failure occurs,
* Occurrence : how likely the failure is to happen,
* Detection : how likely it is that the failure will be detected before causing impact.
These three ratings are used together to determine the relative priority of potential failure modes.
That is the recognized logic of FMEA and is exactly what the risk manager should reinforce.
Why the other options are incorrect:
* A. Direct the team to prioritize risks based solely on their likelihood to streamline the analysis.
FMEA does not rely only on likelihood. A low-likelihood failure may still deserve high attention if the impact is severe or difficult to detect.
* B. Encourage the team to focus on documenting the most severe FMEA risks and disregard others. This is incomplete and poor practice. Risks should not be disregarded simply because they are less severe; occurrence and detection also matter.
* C. Emphasize technical faults within the system as the highest priority for risk response planning.
FMEA is broader than technical faults alone and should evaluate all relevant failure modes systematically.
Reference-aligned basis:
This answer is consistent with standard FMEA methodology and general risk analysis practice.
References:
FMEA standard practice: severity, occurrence, and detection rating model PMI, Practice Standard for Project Risk Management ISO 31000, risk analysis principles

NEW QUESTION: 71
While implementing the risk response plan for a previously identified risk, some secondary risks were identified but not captured on the risk register. The project manager decided to review the risk management plan to ensure this does not happen for future, similar situations.
What should the project manager do next?
A. Identify secondary or residual risks for associated risk plans.
B. Develop risk response plans for all identified risks.
C. Update the communications management plan to avoid future issues
D. Monitor and control secondary and residual risks in the risk register.
Answer: (SHOW ANSWER)
The project manager should monitor and control secondary and residual risks in the risk register. This will ensure that any new risks identified during the implementation of the risk response plan

are captured and managed effectively. Monitoring and controlling risks is a continuous process that helps in identifying, analyzing, and planning for new risks as well as updating the risk register as needed.
According to the PMI Risk Management Professional (PMI-RMP) Examination Content Outline, one of the tasks under the domain of Risk Response Planning is to "identify and assess the effectiveness of alternative strategies to reduce threats or enhance opportunities, such as mitigation, transference, avoidance, and acceptance" 1. This implies that the project manager should also consider the potential secondary or residual risks that may arise from implementing the chosen risk response strategy. Secondary risks are new risks that are created as a direct result of implementing a risk response, while residual risks are those that remain after the risk response has been executed 2. Both types of risks should be identified and assessed for their impact and probability, and added to the risk register for further monitoring and control. Therefore, the correct answer is A.
References: 1: PMI Risk Management Professional (PMI-RMP) Examination Content Outline, page 91 2: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 4362

NEW QUESTION: 72
Members of a project team are not taking their risk management responsibilities seriously. They do not consider risk management as primary to the project's success and do not believe that the benefits are significant.
What should the risk manager do?
A. Schedule a meeting to review and develop realistic risk thresholds with the project team.
B. Motivate and influence the project team with risk engagement activities like workshops.
C. Ensure that risk management responsibilities are clearly identified in the risk management plan.
D. Ensure that the risk language used by all stakeholders is consistent with the risk management plan.
Answer: (SHOW ANSWER)
To address the lack of risk management buy-in from the project team, the risk manager should organize risk engagement activities, such as workshops. These activities can help create awareness of the importance of risk management and motivate the team to take their risk management responsibilities seriously.
Risk engagement is the process of involving stakeholders in risk management activities, such as identifying, analyzing, prioritizing, and responding to risks. Risk engagement activities are designed to motivate and influence the project team and other stakeholders to take their risk management responsibilities seriously and to understand the benefits of risk management for the project's success. Risk engagement activities can include workshops, games, simul-ations, brainstorming sessions, surveys, interviews, and other interactive methods. Risk engagement activities can help to create a positive risk culture, improve communication and collaboration, increase risk awareness and ownership, and enhance risk management skills and knowledge.

References: PMI Risk Management Professional (PMI-RMP) Examination Content Outline and Specifications1, page 9; Mastering PMI-RMP Domains, Tasks, and Enablers for Effective Risk2

NEW QUESTION: 73
The customer expresses concern about the increasing likelihood of delays from one of the subcontractors on the project. This risk was previously identified and planned for during the project planning phase. The project sponsor reassured the customer that this is a known risk and will be handled accordingly by the risk manager.
What should the risk manager do?
A. Call an emergency meeting.
B. Reinforce the customer relationship.
C. Implement the risk response plan.
D. Escalate risk to the owner.
Answer: (SHOW ANSWER)
The correct answer is C. Implement the risk response plan.
This scenario clearly states that the subcontractor delay risk was already identified and planned for during the project planning phase . That means the risk has already gone through the appropriate risk management steps:
identification, assessment, and response planning. Since the risk is now showing signs of increasing likelihood, the most appropriate action is to execute the preplanned response .
In standard project risk management practice, once a known risk begins to materialize or its probability increases to a trigger level, the risk manager should apply the agreed response actions rather than starting over with unnecessary escalation or emergency action. The sponsor's statement also supports this, because it confirms that the issue is a known risk and will be handled according to plan.
Why the other options are incorrect:
* A. Call an emergency meeting This is not the best first action because the risk is not new or unexpected.
It was already identified and planned for. Emergency meetings are more appropriate for sudden, unplanned, or crisis-level issues requiring immediate coordination outside normal response procedures.
* B. Reinforce the customer relationship Stakeholder communication is important, but it does not directly address the risk event itself. The main responsibility here is to take the planned risk action, not merely reassure the customer.
* D. Escalate risk to the owner Escalation is appropriate when a risk is beyond the authority, threshold, or control capacity of the project team or designated risk owner. In this case, the risk is already known and presumably assigned and planned, so escalation is not the primary next step unless the response plan specifically requires it.
Best-practice reasoning:

A previously identified risk with an approved treatment plan should be managed through the implemented response strategy once warning signs or trigger conditions appear. This reflects disciplined risk management and shows that risk planning is being used as intended.
Reference-aligned basis:
This answer is consistent with standard project risk management guidance that emphasizes:
* identified risks should have planned responses,
* response plans should be executed when risk triggers occur or probability/impact increases,
* escalation is used only when a risk exceeds assigned authority or thresholds.
References:
PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide) , Risk Management processes PMI, Practice Standard for Project Risk Management ISO 31000, risk treatment and risk monitoring principles

NEW QUESTION: 74
A project team is discussing which risk requires more attention and resources for response planning. The team evaluated the schedule to determine which activity had the greatest impact on the project ' s total duration.
After analyzing the quantitative analysis results, which activity should the team pay more attention to?
Use the chart for the analysis.
A. Activity 3.5
B. Activity 1.2
C. Activity 2.3
D. Activity 3.2
Answer: (SHOW ANSWER)

NEW QUESTION: 75
A new project to develop a custom software solution for a high-profile client is being initiated. The project sponsor emphasizes the importance of delivering the solution on time and within budget, as this project could lead to significant future opportunities. The risk manager recognizes that the team lacks a standardized approach to managing risks and that some team members are unfamiliar with risk management practices.
What should the risk manager do?
A. Ask the sponsor to define the risk strategy to align with client needs.
B. Develop a framework and engage the team in creating a risk plan.
C. Train the team on basic techniques and defer the risk strategy for later.
D. Concentrate on high-priority risks to meet the sponsor ' s expectations.
Answer: (SHOW ANSWER)
Establishing a risk management framework and involving the team in developing the risk plan creates ownership and builds risk management capability. PMBOK Guide states:

" A risk management plan should be developed early in the project and should involve the project team to ensure buy-in and effective implementation. "
- PMBOK Guide, 6th Edition, Section 11.1
References:
PMBOK Guide, 6th Edition, Section 11.1

NEW QUESTION: 76
As part of standard procedure to monitor and control a project, a risk manager should constantly update the risk register. The risk register updates should include information on risk reassessment, risk audits, and periodic risk reviews.
What additional information should the risk manager prioritize in the risk register updates?
A. Actual outcomes and performance of risk management strategies
B. Actual outcomes of the project's risks and risk responses
C. Actual costs and schedule delays of risk events
D. Actual cost impact of risk events
Answer: B (LEAVE A REPLY)
The risk register is a dynamic document that must capture not only planned risk responses but also the actual outcomes of risks and the effectiveness of risk responses implemented. According to the PMBOK Guide:
"The risk register should be updated with information on the results of risk responses, risk event outcomes, and actual effectiveness of the actions taken. This enables ongoing learning and continuous improvement in risk management."
- PMBOK Guide, 6th Edition, Section 11.7.3.2 (Project Document Updates: Risk Register) This ensures that both the realized outcomes of risks and the success or failure of responses are tracked for future reference and lessons learned.
References:
PMBOK Guide, 6th Edition, Section 11.7.3.2
Practice Standard for Project Risk Management, PMI, Section 6.7

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NEW QUESTION: 77

After the initial assessment of a new project, a project manager found that in order to complete the expected results, detailed and exhaustive planning will be required to ensure the product ' s characteristics and quality.
What should the risk manager propose to the project manager what to do?
A. Use a predictive approach for the delivery.
B. Use a hybrid approach for the delivery.
C. Use an adaptive approach for the delivery.
D. Use an agile approach for the delivery.
Answer: (SHOW ANSWER)
When a project requires detailed and exhaustive planning to ensure the product ' s characteristics and quality, a predictive approach (also known as a waterfall approach) is the most appropriate. This approach involves planning out the project in detail upfront, including the scope, schedule, and costs, which aligns with the need for thorough planning mentioned in the scenario. The predictive approach is best suited for projects where requirements are well-understood and unlikely to change, allowing for careful management of risks through detailed plans.

NEW QUESTION: 78
After a number of risk workshops, risks have been identified. Which is the first element the risk owner should look for in the response plan to help mitigate the risks?
A. Probability of a response triggering a secondary risk
B. How the response will affect the quality of the components
C. If the risk response is tied to an activity on the critical path
D. Verify due dates for the actions have been identified
Answer: (SHOW ANSWER)
The first element the risk owner should look for in the response plan is to verify that due dates for the actions have been identified. This ensures that risk mitigation actions are timely and can be effectively monitored.
After identifying the risks and assigning risk owners, the next step is to develop risk response plans that describe how to address each risk. The first element that the risk owner should look for in the response plan is the due date for the actions that are required to implement the response. The due date is important because it helps to prioritize the risk response activities, monitor the progress of the risk response, and ensure that the response is executed in a timely manner. The due date also helps to align the risk response with the project schedule and avoid any delays or conflicts. The other elements, such as the probability of a secondary risk, the impact on the quality of the components, and the relationship with the critical path, are also relevant for the risk response plan, but they are not the first element that the risk owner should look for. References: PMI,
2017. A Guide to the Project Management Body of Knowledge (PMBOKGuide) - Sixth Edition. Newtown Square, PA: Project Management Institute, Inc., pp. 407-4081

NEW QUESTION: 79

A company in the mining industry accommodates a lot of innovation and changing work conditions. Because of this, the company experiences difficulty in predicting long term business plans.

How should a professional risk manager manage the risks in such situations?

A. Adopt a predictive approach to manage the risks.

B. Adopt agile approaches to manage the risks.

C. Utilize proper documentation to help manage the risks.

D. Conduct weekly risk management meetings with all stakeholders.

Answer: (SHOW ANSWER)

In a company with rapidly changing work conditions and difficulty in predicting long-term business plans, a professional risk manager should adopt agile approaches to manage the risks (B). Agile approaches allow for flexibility, adaptability, and quick response to changes, making them suitable for managing risks in such situations. This is supported by the PMI's PMBOK Guide, Sixth Edition, and the Agile Practice Guide.

A professional risk manager should adopt agile approaches to manage the risks in situations where the company accommodates a lot of innovation and changing work conditions, and experiences difficulty in predicting long term business plans. Agile approaches are adaptive, iterative, and collaborative methods that focus on delivering value and reducing uncertainty in a dynamic and complex environment. Agile approaches can help the risk manager to identify, analyze, respond, and monitor risks in a flexible and timely manner, by using tools and techniques such as risk-adjusted backlog, risk burndown charts, risk-based spike, and risk- based testing. Agile approaches can also help the risk manager to engage the stakeholders and the project team in risk management activities, by using practices such as daily stand-up meetings, sprint planning, sprint review, and sprint retrospective. Agile approaches can enable the risk manager to manage the risks effectively and efficiently, by aligning the risk management strategy with the project goals and the customer needs.

Adopting a predictiveapproach to manage the risks is not the best option, as it may not be suitable or feasible for situations where the project scope, schedule, and budget are uncertain or variable. A predictive approach is a plan-driven and sequential method that relies on upfront planning and detailed documentation to manage the risks. A predictive approach may not be able to cope with the frequent changes and emerging risks that may occur in an innovative and dynamic environment. Utilizing proper documentation to help manage the risks is not the best option, as it may not be sufficient or effective for situations where the project requirements and deliverables are evolving or changing. Proper documentation is a useful and necessary component of risk management, but it is not a substitute for agile risk management practices. Proper documentation may not be able to capture and communicate the current and relevant information about the risks and their impacts in a timely and accurate manner. Conducting weekly risk management meetings with all stakeholders is not the best option, as it may not be optimal or efficient for situations where the project risks and opportunities are changing rapidly or frequently. Weekly risk management meetings are a common and beneficial practice for risk management, but they may not be enough or appropriate for agile risk management. Weekly risk management

meetings may not be able to address the risks and their responses as soon as they arise or occur, and they may not be able to involve all the relevant and available stakeholders and project team members. References: 3, 4, 5

NEW QUESTION: 80

A risk manager faces resistance as they try to implement the project's risk strategy. Some members of the project team believe it is a waste of time and money, What should the risk manager do?

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A. Continue to implement the risk strategy

B. Meet with team members to address their concerns.

C. Reduce the number of risk management activities.

D. Raise the concerns with the project sponsor,

Answer: (SHOW ANSWER)

When facing resistance from team members, the risk manager should engage in open communication to address their concerns and clarify the importance of risk management in the project.

According to the PMBOK Guide, 6th edition, Chapter 11: Project Risk Management1, the risk manager should handle this situation by meeting with team members to address their concerns. This is because:

Resistance to risk management is a common challenge that can hinder the effectiveness and efficiency of the risk management process. Resistance can stem from various factors, such as lack of awareness, understanding, commitment, trust, or support for risk management; fear of negative consequences or blame; competing priorities or interests; or cultural differences or biases.

Meeting with team members to address their concerns is a proactive and constructive way to overcome resistance and foster a positive risk culture within the project. By meeting with team members, the risk manager can:

Communicate the value and benefits of risk management for the project and the organization, such as improving decision-making, enhancing performance, increasing stakeholder satisfaction, and reducing uncertainty and variability.

Educate and train team members on the risk management principles, processes, tools, and techniques, and how they can be applied to the project context and objectives.

Involve and empower team members in the risk management activities, such as identifying, analyzing, prioritizing, responding, and monitoring risks, and solicit their feedback and suggestions for improvement.

Recognize and reward team members for their contributions and achievements in risk management, and celebrate the successful outcomes and opportunities realized by the project.

The other options are not effective in handling this situation because:

Continuing to implement the risk strategy without addressing the resistance can lead to further conflict, resentment, and distrust among the team members, and undermine the quality and credibility of the risk management process and outputs.

Reducing the number of risk management activities can compromise the project's ability to identify and respond to the risks that may affect its scope, schedule, cost, quality, or other objectives, and expose the project to unnecessary threats or missed opportunities.
Raising the concerns with the project sponsor can escalate the issue and create a negative impression of the team members, and may not resolve the underlying causes of the resistance or improve the team's engagement and commitment to risk management.
PMBOK Guide, 6th edition, Chapter 11: Project Risk Management1
Risk Management Professional (PMI-RMP) Exam Cert Guide2

NEW QUESTION: 81
A risk manager is managing risks of a mission critical application. A subject matter expert (SME) asks the risk manager to treat every single risk identified as an extremely high priority.
What should the risk manager do?
A. Ask the project sponsor if every risk in the risk register can have the same priority.
B. Mark every identified risk as an extremely high priority and any future risks as a lower priority.
C. Agree with the SME, treat every risk with equal priority, and inform all stakeholders.
D. Perform a sensitivity analysis and determine the correct priority of every identified risk.
Answer: (SHOW ANSWER)
According to the PMBOK Guide, 6th edition, Section 11.6.2.1, Sensitivity Analysis, a sensitivity analysis is a technique that helps to determine which individual project risks or other sources of uncertainty have the most potential impact on project outcomes. A sensitivity analysis can be used to prioritize risks based on their relative effect on the project objectives, such as cost, schedule, quality, or scope. A sensitivity analysis can also help to identify areas where risk response efforts may be most effective. Therefore, the risk manager should perform a sensitivity analysis and determine the correct priority of every identified risk, rather than agreeing with the SME or the project sponsor, or marking every risk with the same or different priority without proper analysis. References: PMBOK Guide, 6th edition, Section 11.6.2.1,Sensitivity Analysis1
The risk manager should perform a sensitivity analysis to assess the impact of each risk on the project objectives. This will help in determining the correct priority of every identified risk, ensuring that resources are allocated effectively and that the most critical risks are addressed first.

NEW QUESTION: 82
The project manager for project X was expecting the mobilization of critical equipment from another project, project Y. However, a day before the mobilization was scheduled, another project manager notifies project X's project manager that the equipment would not be available for at least another month due to delayed activities for project Y. This has jeopardized meeting a critical milestone for project X.
How should project X's project manager avoid this situation in the future?
A. Prepare a contingency response plan to implement when delays occur
B. Ask the other project manager to officially confirm the new date in writing
C. Request that the other project manager be added to relevant reports

D. Request that the other project manager inform if any additional delays are expected

Answer: A (LEAVE A REPLY)

A contingency response plan helps the project manager to be prepared for unexpected situations, such as delays in equipment mobilization. This plan should outline alternative actions to take in case of such delays, minimizing the impact on the project.

According to the PMBOK Guide, a contingency response plan is a predefined action that the project team will take if an identified risk event occurs. It is part of the risk response plan, which is the output of the Plan Risk Responses process. The contingency response plan helps the project team to reduce the impact of the risk event on the project objectives, such as scope, schedule, cost, and quality. The contingency response plan should be documented in the risk register, along with the risk triggers, the assigned risk owners, and the allocated contingency reserves.

The project manager for project X should prepare a contingency response plan to avoid the situation of being dependent on the availability of critical equipment from another project, project Y. This is because the equipment mobilization is an external dependency, which is a type of inter-project dependency that occurs when a project relies on another project for a deliverable or resource. Inter-project dependencies are a source of risk for the project, as they may cause delays, conflicts, or changes in the project scope or quality. The project manager should identify, analyze, and monitor the inter-project dependencies, and plan appropriate risk responses to deal with them.

The contingency response plan for the equipment mobilization could include alternative sources of equipment, such as renting, purchasing, or borrowing from other projects or vendors. The contingency response plan could also include schedule adjustments, such as fast-tracking, crashing, or re-sequencing the activities that require the equipment. The contingency response plan should be implemented when the risk trigger occurs, such as the notification of the delay from the other project manager. The project manager should also communicate the contingency response plan to the relevant stakeholders, such as the project sponsor, customer, team members, and other project managers.

The other options are not valid for avoiding the situation in the future:

Ask the other project manager to officially confirm the new date in writing: This is not a valid option because it does not address the root cause of the problem, which is the dependency on the equipment from another project. Asking for a confirmation in writing may help to document the issue and track the progress, but it does not prevent the situation from happening again. The project manager should plan for the possibility of delays or changes in the equipment availability, and not rely on the other project manager's promises or commitments.

Request that the other project manager be added to relevant reports: This is not a valid option because it does not address the root cause of the problem, which is the dependency on the equipment from another project.

Adding the other project manager to the relevant reports may help to improve the communication and coordination between the projects, but it does not prevent the situation from happening again. The project manager should plan for the possibility of delays or changes in the equipment availability, and not rely on the other project manager's information or updates.

Request that the other project manager inform if any additional delays are expected: This is not a valid option because it does not address the root cause of the problem, which is the dependency on the equipment from another project. Requesting the other project manager to inform if any additional delays are expected may help to anticipate and prepare for the impact, but it does not prevent the situation from happening again. The project manager should plan for the possibility of delays or changes in the equipment availability, and not rely on the other project manager's forecasts or estimates.
PMBOK Guide1, Project interdependency management2, Interdependencies among projects in project portfolio management3, Mastering PMI-RMP Domains, Tasks, and Enablers for Effective Risk4

NEW QUESTION: 83
A risk manager is working on the risk management plan for a new digital platform and realizes the project sponsor, who is the IT manager, has not been invited to the project team meetings. The IT manager is concerned that the IT infrastructure is unable to host the new platform the team is creating. The risk manager asks the IT manager to be included in the meetings.
What should the IT manager's role be in the project team meetings?
A. The IT manager should be included as a risk owner.
B. The IT manager should refine the project baseline plans.
C. The IT manager should be added as a project sponsor.
D. The IT manager should lead the infrastructure execution.
Answer: (SHOW ANSWER)
A risk owner is the person assigned to manage, monitor, and report on a specific risk. When the IT manager has unique insight or control over risks associated with IT infrastructure, they should be formally assigned as a risk owner for those risks. The PMBOK Guide emphasizes:
"Risk owners are identified during the risk management planning process and should be engaged in relevant meetings and risk discussions. Assigning the IT manager as a risk owner ensures proper accountability for IT- related risks."
- PMBOK Guide, 6th Edition, Section 11.3.2.1 (Risk Register: Risk Owner) This promotes ownership, accountability, and effective risk management.
References:
PMBOK Guide, 6th Edition, Section 11.3.2.1
Practice Standard for Project Risk Management, PMI, Section 5.3

NEW QUESTION: 84
A core project team is working on unrelated tasks in advance to reduce the risk of delay due to an external team not completing its tasks on time. The core project team has completed all possible unrelated tasks but cannot move forward, because the external team's tasks have yet to be completed.
What should the risk manager do next?
A. Start a quantitative analysis to understand the impact.

B. Crash the schedule to mitigate the risk consequences.
C. Transfer the risk to the external team.
D. Ask the risk owners to review the risk response plan.
Answer: D (LEAVE A REPLY)
According to the PMBOK Guide, the risk response plan is the set of actions that the project team will take to address the identified risks. The risk response plan should be reviewed and updated periodically throughout the project lifecycle, as new risks may emerge or existing risks may change. The risk owners are the persons assigned the responsibility of monitoring the risks and implementing the risk response actions. The risk owners should work with the risk manager and other stakeholders to evaluate the effectiveness of the risk response plan and make any necessary adjustments. In this case, the risk manager should ask the risk owners to review the risk response plan and see if there are any alternative or additional actions that can be taken to deal with the delay caused by the external team. Starting a quantitative analysis, crashing the schedule, or transferring the risk are not appropriate actions for this situation, as they are either too late, too costly, or too risky. References: = PMBOK Guide, 6th edition, pages 452-453; The Standard for Risk Management in Portfolios, Programs, and Projects, page 79.

NEW QUESTION: 85
When performing a risk analysis, a risk manager identifies not only negative risks but also positive risks, which might bring added value to the project. What should the risk manager do next?
A. Prioritize opportunities as they are likely to bring benefits to the project.
B. Analyze the risks and add them to the risk register to continue the process.
C. Create a separate project to exclusively manage positive risks and threats.
D. Assign separate stakeholder groups for positive risks and negative risks.
Answer: (SHOW ANSWER)
The correct answer is B. Analyze the risks and add them to the risk register to continue the process.
In project risk management, risks include both threats and opportunities . Positive risks are legitimate project risks because they can create beneficial outcomes if properly understood and managed. Once these positive risks are identified, the next step is not to isolate them from the normal process, but to document them in the risk register and continue analysis and management activities just as with negative risks.
This answer is correct because it reflects the normal risk management flow:
* identify risks, including opportunities and threats,
* document them in the risk register,
* analyze and prioritize them,
* develop suitable response strategies.
Why the other options are incorrect:
* A. Prioritize opportunities as they are likely to bring benefits to the project. Opportunities should certainly be evaluated and prioritized, but first they must be formally captured and analyzed within

the project's risk management process. The broader and more correct next step is to analyze and record them in the risk register.
* C. Create a separate project to exclusively manage positive risks and threats. This is unnecessary and contrary to normal practice. Positive and negative risks are managed within the same project risk framework.
* D. Assign separate stakeholder groups for positive risks and negative risks. Separate stakeholder groups are not required simply because risks are positive or negative. Risk ownership should be based on relevance, authority, and capability, not on whether the risk is an opportunity or a threat.
Best-practice reasoning:
A mature risk management process treats opportunities and threats as part of the same structured system. Both should be identified, documented, analyzed, monitored, and responded to in alignment with project objectives.
Reference-aligned basis:
This answer is consistent with standard risk management guidance that emphasizes:
* risks may be positive or negative,
* all identified risks should be recorded in the risk register,
* analysis continues after identification for both opportunities and threats.
References:
PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide) , Identify Risks and Project Risk Management PMI, Practice Standard for Project Risk Management ISO 31000, risk as the effect of uncertainty on objectives

NEW QUESTION: 86
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 (W&S)
B. Project organizational chart
C. Configuration management plan
D. Brainstorming
E. Monte Carlo analysis
Answer: (SHOW ANSWER)
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.
PMBOK Guide, 6th edition, pages 397-399, 414-415, 431-432, 441-442, 156-157, 168-169, 89-901; PMI- RMP Exam Content Outline, 2015, page 7.

NEW QUESTION: 87
An experienced and the only developer on a software implementation project will be on leave for several weeks. The risk of this critical resource ' s availability was added to the risk register. Contingencies were made for a support developer to job shadow this resource, depending on how things go prior to their leave.

The project team was pleased with the backup plan and the new resource was able to shadow for a few weeks.
What should the risk manager do next?
A. Update the risk register to indicate the risk has occurred and close out the expired risk from the register.
B. Update, continuously monitor, and communicate the residual and secondary risks of the backup resource on the project.
C. Hire a permanent developer to support the project, and work with the backup resource to eliminate this risk.
D. Hire another developer to support the project, contingent on when the experienced developer returns.
Answer: (SHOW ANSWER)
Once the contingency plan has been executed (e.g., the backup resource has shadowed the experienced developer), it is crucial to continuously monitor and manage any residual or secondary risks that may arise.
These risks could include the backup resource ' s ability to perform effectively or the potential impact of the original developer ' s absence on project timelines. By updating the risk register and maintaining communication with the project team, the risk manager ensures that the project remains on track and that any new risks are promptly addressed, in alignment with PMI's best practices for ongoing risk management.

NEW QUESTION: 88
A risk manager has a well-structured risk management process in place for a complex project with a tight schedule. Despite implementing preventive actions, one of the risks identified in the early stages of the project has still occurred and is now an issue.
What should the risk manager do next?
A. Meet with the project team to brainstorm potential solutions to the problem.
B. Implement the risk response plan to remedy the problem as soon as possible.
C. Initiate discussions with the project manager to decide how to manage the problem.
D. Escalate the problem to the project sponsor to agree on the best course of action.
Answer: (SHOW ANSWER)
When a risk has materialized and become an issue despite preventive actions, the next logical step is to implement the pre-established risk response plan. This plan is designed specifically to address the risk if it occurs, ensuring that the project can quickly and effectively manage the issue. According to PMI's risk management guidelines, implementing the risk response plan is a critical step once a risk has been triggered, as it provides a structured approach to resolving the issue with minimal impact on the project.

NEW QUESTION: 89

During a virtual workshop presenting a product to potential clients, a facilitator emails the product brochure and asks attendees to check their spam folder if the email does not appear in their inbox. What kind of threat strategy is the facilitator applying?

A. Accept actively

B. Mitigate

C. Accept passively

D. Share

Answer: (SHOW ANSWER)

Mitigation involves taking proactive steps to reduce the probability or impact of a risk event. In this scenario, the facilitator anticipates the risk of attendees not receiving the product brochure due to spam filters. By advising participants to check their spam folders, the facilitator addresses the issue before it escalates, thereby reducing the likelihood of miscommunication or information loss. This preemptive action exemplifies a mitigation strategy, aiming to lessen the potential negative impact on the workshop's effectiveness.

PMI Risk Management Study Guide References:

The PMI-RMP Exam Preparation Study Guide defines risk mitigation as "the process ofimplementing actions to reduce the likelihood or impact of a risk to acceptable levels," highlighting the importance of proactive measures in risk management.

NEW QUESTION: 90

The risk manager loaded the risk register, built the risks into the simulation software, and ran the Monte Carlo analysis The P80 and P90 end dates are the same as the deterministic date.
What should be the risk manager's next step?

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A. Use the P90 date on the risk report

B. Check the schedule for constraints

C. Decrease the number of iterations

D. Decrease the risk consequences

Answer: (SHOW ANSWER)

NEW QUESTION: 91

During a project meeting, the project sponsor asks to close a project risk. The team does not recommend closing the risk because it is expected to be present in the next phase of the project work.

How should the risk manager address this concern?

A. Compare the actual data with the subject matter expert (SME) criteria.

B. Compare the actual data with the risk baseline.

C. Compare the actual data with the historical data.

D. Compare the actual data with the project sponsor's expectation.

Answer: (SHOW ANSWER)

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NEW QUESTION: 92
A large, land-based infrastructure project has begun. The project makes assumptions about the site conditions and has economic, technical, and environmental constraints What should the project manager do next to determine risk impact of assumptions and constraints?
A. Add all assumptions and constraints to the risk register.
B. Add the risk impact of the assumptions in the risk register.
C. Add the assumptions and constraints to the assumption log.
D. Add the assumptions and constraints in the project charter.
Answer: (SHOW ANSWER)
The project manager should add the assumptions and constraints to the assumption log to track and analyze their impact on the project. The assumption log is a project document that records all project assumptions and constraints throughout the project life cycle. (Reference: PMBOK Guide, 6th Edition, p. 89) The project manager should add the assumptions and constraints to the assumption log, which is a project document that records the assumptions and constraints that affect the project scope, schedule, cost, and quality. The assumption log can help the project manager to identify and analyze the risks that may arise from the validity of the assumptions and the impact of the constraints. The assumption log can also be used as an input for the Identify Risks process, where the project manager can determine the risk impact of the assumptions and constraints and add them to the risk register accordingly. References: PMI, A Guide to the Project Management Body of Knowledge (PMBOKGuide), Sixth Edition, 2017, p. 38, 397.

NEW QUESTION: 93
A new risk manager has been hired on a project and meets with the project director. The project director supplies the project's risk register and asks the risk manager for an analysis of its effectiveness.
What two actions should the risk manager do next? (Choose two.)
A. Check to ensure that the risk is supported by a Monte Carlo simulation.
B. Check to ensure that the risks are gathered using Delphi technique.
C. Check for risk classification and that probability and impact are identified.
D. Check to ensure that risk origin, triggering event, and ownership is identified.
E. Check to ensure the risk meeting agenda and supporting documents are distributed.
Answer: (SHOW ANSWER)

The risk manager should first check the risk register for proper risk classification, probability, and impact (C), as these are essential components of an effective risk management process. Next, the risk manager should ensure that the risk origin, triggering events, and ownership are identified (D), as this information helps in assigning responsibilities and taking appropriate actions for each risk. References to these steps can be found in the Project Management Institute's (PMI) A Guide to the Project Management Body of Knowledge (PMBOK Guide), Sixth Edition.
The risk manager should check for risk classification and that probability and impact are identified, as these are essential elements of a risk register. Risk classification helps to group risks into categories based on their sources, types, or impacts, which can facilitate risk analysis and response planning. Probability and impact are the two dimensions of risk assessment, which help to measure the likelihood and severity of a risk event, and to prioritize risks based on their significance. The risk manager should also check to ensure that risk origin, triggering event, and ownership is identified, as these are also important components of a risk register. Risk origin refers to the root cause or source of a risk, which can help to understand the nature and characteristics of a risk, and to devise effective risk responses. Triggering event is a specific occurrence or condition that indicates that a risk event has occurred or is about to occur, which can help to monitor and control risks.
Ownership is the assignment of a risk to a person or a group who is responsible for managing the risk, which can help to ensure accountability and communication. The risk manager should not check to ensure that the risk is supported by a Monte Carlo simulation, as this is not a mandatory or universal requirement for a risk register. Monte Carlo simulation is a quantitative risk analysis technique that uses computer-generated random scenarios to model the possible outcomes of a project, based on the probability distributions of the input variables. While this technique can provide useful information about the overall project risk exposure and the probability of achieving project objectives, it is not a necessary or sufficient condition for an effective risk register. The risk manager should not check to ensure that the risks are gathered using Delphi technique, as this is also not a compulsory or exclusive requirement for a risk register. Delphi technique is a qualitative risk identification technique that uses a panel of experts to anonymously provide their opinions on potential risks, which are then aggregated and refined through a series of rounds until a consensus is reached. While this technique can help to elicit expert judgment and reduce bias, it is not the only or the best way to identify risks. The risk manager should not check to ensure the risk meeting agenda and supporting documents are distributed, as this is not a relevant or appropriate action for analyzing the effectiveness of a risk register. The risk meeting agenda and supporting documents are part of the risk management plan, which describes how the project team will conduct risk management activities, such as identifying, analyzing, responding, and monitoring risks. The risk meeting agenda and supporting documents are useful for planning and conducting risk meetings, but they are not part of the risk register, which is the output of the risk identification process and the input for the risk analysis and response processes. References: PMI. (2017). A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition. Chapter 11: Project Risk Management, pp. 395-454. 5

NEW QUESTION: 94
An undocumented risk is realized during the rollout of a new product line important to the company. The product owner escalates this matter to the company president, who expects all risks to be documented in the project risk plan.
How should the risk manager address this concern?
A. Risks are documented to the practicable extent possible.
B. Probability of the risk was very low. so the risk was not documented.
C. Impact of the risk was assessed to be insignificant, so the risk was not documented.
D. A similar risk never occurred in the past, so it was not considered.
Answer: A (LEAVE A REPLY)
In risk management, it is standard practice to document risks to the extent that they are identifiable and reasonably foreseeable. If an undocumented risk is realized, the risk manager should address the concern by explaining that risks are documented to the practicable extent possible. This means that while every effort is made to identify and document risks, some risks may not be captured due to their low probability, lack of historical precedence, or other factors. PMI's guidelines on risk management recognize that not all risks can be foreseen and documented, and risk management processes should focus on those risks that are most likely to impact the project.

NEW QUESTION: 95
A critical piece of equipment broke during a project execution phase. The risk manager notices this risk in the risk register, and the response is to rent equipment until the critical piece is repaired.
What type of risk response is this?
A. Transfer
B. Accept
C. Mitigate
D. Avoid
Answer: (SHOW ANSWER)
Renting equipment until the critical piece is repaired is a "Mitigate" response. Mitigation involves taking actions to reduce the impact or likelihood of a risk event. In this case, renting equipment is a way to reduce the impact of the equipment breakdown on the project's timeline and execution, thereby ensuring that the project can continue with minimal disruption.
PMI's guidelines describe mitigation as a strategy to reduce the severity or probability of a risk, making it a suitable response in this scenario.

NEW QUESTION: 96
A project manager has just been assigned to a new project. The project manager has been tasked by the project sponsor to ensure the project risks are closely managed. The project manager starts with developing the risk management plan.
What is the expected outcome of developing the risk management plan?

A. Being able to monitor and control risks throughout the project.
B. Defining how risk management will be executed throughout the project.
C. Documenting the communication strategy for risks throughout the project.
D. Having the ability to identify risks throughout the project.
Answer: (SHOW ANSWER)
The expected outcome of developing the risk management plan is to define how risk management activities will be executed throughout the project. This includes the processes, tools, and techniques that will be used to identify, assess, and manage risks.
The risk management plan is a document that describes how risk management activities will be structured and performed throughout the project. It provides guidance on how to identify, analyze, respond, monitor, and control risks, as well as how to communicate, document, and report them. The risk management plan also defines the roles and responsibilities of the project team and stakeholders in risk management, the risk categories and breakdown structure, the risk thresholds and appetite, the risk management tools and techniques, and the risk management budget and schedule. The risk management plan is an output of the plan risk management process, which is the first process in the project risk management knowledge area.
Developing the risk management plan is essential for ensuring that the project risks are closely managed and aligned with the project objectives and stakeholder expectations. References: PMI, Project Risk Management,
2nd edition, 2019, p. 67-681

NEW QUESTION: 97
During project development, a risk manager notices that a major update in the country's regulations might be happening in the upcoming months. These changes will affect the materials used in building some of the components of the final product. The project team is unsure if this risk will affect the project negatively or positively.
Which tool should the project team use to determine this?
A. Sensitivity analysis
B. Threshold analysis
C. Reserve analysis
D. Strengths, weaknesses, opportunities, and threats (SWOT) analysis
Answer: (SHOW ANSWER)
When the project team is unsure if a potential change in regulations will affect the project positively or negatively, a SWOT analysis is an appropriate tool to use. SWOT analysis helps the team assess the internal and external factors that might influence the project's outcome. It allows the team to evaluate the strengths, weaknesses, opportunities, and threats associated with the regulatory changes, helping them determine whether the impact will be beneficial or detrimental to the project.

NEW QUESTION: 98

As per the risk analysis process carried out for a project, two risks are registered. The probability risk A will occur is 40% and its monetary impact to the project is US$100,000. The probability risk B will occur is 60% and its monetary impact to the project is US$20,000.
What is the total contingency budget that should be created?
A. US$68,000
B. US$52,000
C. US$120,000
D. US$80,000
Answer: (SHOW ANSWER)
In risk management, to calculate the contingency budget for risks, we use the Expected Monetary Value (EMV) formula: EMV=Probability of Risk×Impact of Risk\text{EMV} = \text{Probability of Risk} \times
\text{Impact of Risk}EMV=Probability of Risk×Impact of Risk
For Risk A:
Probability: 40% or 0.40
Impact: US$100,000\text{EMV of Risk A} = 0.40 \times 100,000 = US$40,000 For Risk B:
Probability: 60% or 0.60
Impact: US$20,000\text{EMV of Risk B} = 0.60 \times 20,000 = US$12,000
Total contingency budget = EMV of Risk A + EMV of Risk B
40,000 + 12,000 = US$52,000
Thus, the total contingency budget required for both risks is US$52,000. This approach follows PMI's risk management guidelines, specifically under the " Quantitative Risk Analysis " process. This process focuses on determining numerical probabilities and monetary impacts to compute the expected financial impact of identified risks.

NEW QUESTION: 99
An organization is executing two projects - Project A and Project B - simultaneously. A previously identified risk will impact the schedule for Project A. While executing the mitigation plan, a number of residual risks are identified that could provide cost savings for Project B.
Which action should the risk manager for Project A take?
A. Review the findings in Project A ' s closure documents and propose a new organizational process for portfolio risk management.
B. Consult with Project B ' s risk manager and determine where synergies might exist between the risk management plans for both projects.
C. Combine the risk registers for Project A and Project B and determine if there are any additional cross- project opportunities to exploit.
D. Continue executing the planned risk mitigation to avoid any additional schedule impact to Project A.
Answer: (SHOW ANSWER)
Collaborating with other project risk managers ensures cross-project opportunities and risks are leveraged or mitigated appropriately. The PMBOK Guide encourages this approach:

" When risks or opportunities cross project boundaries, risk managers should consult with other project teams to identify synergies and dependencies. "
- PMBOK Guide, 6th Edition, Section 11.1
References:
PMBOK Guide, 6th Edition, Section 11.1

NEW QUESTION: 100

Project stakeholders can often be risk averse with little to no knowledge of the risk process. How should a risk manager increase stakeholder risk appetite?

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A. Exclude risk averse stakeholders from future risk discussions
B. Explain risk handling and mitigation strategies
C. Increase the impact of all risks in the risk breakdown structure (RBS)
D. Develop a generous probabilistic cash flow model
Answer: (SHOW ANSWER)
The risk manager should increase stakeholder risk appetite by explaining risk handling and mitigation strategies, which will help stakeholders understand how risks can be managed and reduced, making them more comfortable with the risk process.
The best way to increase stakeholder risk appetite is to explain risk handling and mitigation strategies, which are the actions taken to reduce the probability and/or impact of risks, or to enhance the opportunities. By doing so, the risk manager can help the stakeholders understand how the risks can be managed effectively and efficiently, and how the potential benefits can outweigh the potential costs. This can also increase the stakeholder confidence and trust in the risk process and the project outcomes. The other options are not appropriate ways to increase stakeholder risk appetite. Excluding risk averse stakeholders from future risk discussions can alienate them and create conflicts. Increasing the impact of all risks in the risk breakdown structure (RBS) can exaggerate the risk exposure and create unnecessary fear and anxiety. Developing a generous probabilistic cash flow model can create unrealistic expectations and lead to poor decision making. References: PMI Risk Management Professional (PMI-RMP) Examination Content Outline and Specifications, page 81. A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, pages 403-4042.

NEW QUESTION: 101
A project has a S0S4 chance of a US$100 000 profit and a 40% chance of a US$100,000 loss. What is the expected monetary value for this project?
A. US$20.000 loss
B. US$20,000 profit
C. US$40,000 loss
D. US$100,000 profit
Answer: (SHOW ANSWER)
The expected monetary value (EMV) for this project can be calculated as follows: (0.6 x US $100,000) - (0.4 x US$100,000) = US$60,000 - US$40,000 = US$20,000 profit.

The EMV of a project is the weighted average of the possible outcomes, which are a US$100,000 profit or a US$100,000 loss in this case. To calculate the EMV, we multiply the probability of each outcome by its monetary value, and then add them together. The formula is:
EMV = (Probability of profit x Value of profit) + (Probability of loss x Value of loss) In this case, the probability of profit is 60%, and the value of profit is US$100,000. The probability of loss is 40%, and the value of loss is -US$100,000 (negative because it is a loss). Therefore, the EMV is: EMV = (0.6 x 100,000) + (0.4 x -100,000) EMV = 60,000 - 40,000 EMV = US$20,000 This means that the project has an expected monetary value of US$20,000 profit, which is the answer option B). The other options are incorrect because they do not match the EMV calculation.
The EMV is a useful tool for comparing different projects or alternatives based on their expected values.
However, it does not account for the variability or uncertainty of the outcomes, which may also affect the project decision making. For example, a project with a higher EMV but a higher risk may not be preferable to a project with a lower EMV but a lower risk. Therefore, the EMV should be used with caution and in conjunction with other risk analysis techniques.
For more information on the EMV and other risk analysis methods, you can refer to the PMI Risk Management Professional (PMI-RMP) Examination Content Outline and Specifications, the A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, and the Expected Monetary Value (EMV): A Guide With Examples. I hope this helps you understand the concept of EMV and how to apply it to project risk management

NEW QUESTION: 102
In the early stages of a manufacturing project, a risk manager has identified a risk with a component provided by an external supplier that might be delayed. The delay may or may not be significant to the project.
What should the risk manager do?
A. Agree with the external supplier on the timeline.
B. Register the risk with a medium impact.
C. Align with stakeholders on the risk threshold.
D. Engage another supplier with shorter delivery times.
Answer: (SHOW ANSWER)
Setting risk thresholds in collaboration with stakeholders ensures clarity on what is considered tolerable risk.
PMBOK Guide and ISO 31000 state:
" Risk thresholds reflect the degree of risk that stakeholders are willing to accept. These should be defined collaboratively at the start of the project. "
- PMBOK Guide, 6th Edition, Section 11.1
" The organization should define its risk criteria and thresholds, in consultation with stakeholders. "
- ISO 31000:2018, Section 6.3
References:

PMBOK Guide, 6th Edition, Section 11.1
ISO 31000:2018, Section 6.3

NEW QUESTION: 103
A project manager realizes the team undertaking the project work has fallen behind the planned schedule. The risk manager identifies a new risk resulting from this delay and will need to understand how this will affect the project deadline.
Which kind of numerical analysis should be performed to understand the worst-case scenarios?
A. Earned value analysis
B. Qualitative risk analysis
C. Sensitivity analysis
D. Root cause analysis
Answer: (SHOW ANSWER)
sensitivity analysis is a technique that helps to determine which risks have the most potential impact on the project. It examines the extent to which the uncertainty of each project element affects the objective being examined when all other uncertain elements are held at their baseline values. Sensitivity analysis is often used to assess the risk exposure of the project schedule and cost, and to identify the critical risks that need to be managed. In this case, the risk manager needs to understand how the new risk resulting from the delay will affect the project deadline, which is the objective being examined. By performing sensitivity analysis, the risk manager can compare the relative importance and interaction of the new risk with other existing risks, and determine the worst-case scenarios for the project completion date. Sensitivity analysis can also help to prioritize risks for response planning and to develop contingency reserves. This is part of the Perform Quantitative Risk Analysis process in the PMBOK Guide2. References: 1: PMI Risk Management Professional (PMI-RMP) Examination Content Outline 2: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition

NEW QUESTION: 104
A key project is delayed and all contingency reserves have been used even though the project team has implemented all planned risk responses. What should the risk manager do next?
A. Create a new project plan including the new risks.
B. Review the effectiveness of the risk process.
C. Update the risk management plan.
D. Escalate the project risks to upper management.
Answer: (SHOW ANSWER)
When a project is delayed, and all contingency reserves have been exhausted, the next step is to escalate the situation to upper management. This escalation allows for additional resources or support to be considered and for strategic decisions to be made at a higher level. According to PMI's risk management practices, escalation is a key strategy when risks exceed the project's control, requiring input or intervention from senior management to resolve.
Top of Form

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NEW QUESTION: 105
A project is underway to implement a new customer support software. During testing, the risk manager discovers that the integration with the existing customer relationship management system is more complex than initially planned, potentially delaying the project. The risk manager needs to update project documents to reflect this new information.
Which steps should the risk manager consider when updating relevant project documents?
A. Update the issue log with relevant information as the immediate concern for key stakeholders.
B. Assume the delay will not affect the timeline and continue with the current scheduled activities.
C. Update the project documents after the work has been completed and formally accepted.
D. Assess the delay with the technical team, update the schedule and risk register, and inform stakeholders.
Answer: (SHOW ANSWER)
Best practice requires immediate assessment and updating of risk-related documents as soon as new risks or issues are identified. This includes working with the technical team to understand the impact, updating the risk register and project schedule, and communicating with stakeholders.
" When new risks or issues arise, project documents such as the risk register, schedule, and stakeholder communications should be updated promptly to ensure that stakeholders are informed and risk responses are integrated into project planning. "
- PMBOK Guide, 6th Edition, Section 11.7 (Monitor Risks: Work Performance Information and Updates) This keeps the project adaptive and transparent.
References:
PMI PMBOK Guide, 6th Edition, Section 11.7
ISO 31000:2018, Section 6.7

NEW QUESTION: 106
Business rhythm can fluctuate greatly between different industries and vary between companies within the same industry. What should be used 10 determine how often a project's risk register should be updated or reviewed in a given year when the project is in an industry with a very high business rhythm?
A. The risk management plan
B. The risk triggers
C. The risk prioritization criteria
D. The portfolio management plan
Answer: (SHOW ANSWER)
The risk management plan provides guidance on how often the risk register should be updated or reviewed. It takes into account the specific industry, project, and organizational context, including the business rhythm.

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NEW QUESTION: 107
A stakeholder is asking a project team to hire an external vendor with more expertise and capacity to accelerate a delivery plan. The team has some concerns about this request. What should the risk manager do first?
A. Conduct a strengths weakness, opportunities, and threats (SWOT) analysis.
B. Create a contingency plan
C. Start a vendor assessment
D. Submit a change request
Answer: C (LEAVE A REPLY)
Before deciding to hire an external vendor to accelerate the delivery plan, it's essential to assess the potential internal and external factors that could influence this decision. Conducting a SWOT analysis allows the project team to systematically evaluate:
Strengths: Internal capabilities that could support the decision.
Weaknesses: Internal limitations or challenges.
Opportunities: External factors the project could capitalize on.
Threats: External factors that could pose risks.
This comprehensive assessment provides a balanced perspective, enabling informed decision-making regarding the engagement of an external vendor.
PMI Risk Management Study Guide References:
The PMI-RMP Exam Content Outline lists SWOT analysis as a technique for assessing project risk complexity and identifying potential threats and opportunities, facilitating informed decision-making in project risk management.

NEW QUESTION: 108
During a project's initial planning session, the project team identifies a possible risk. The team is under the impression that a critical vendor might delay delivery. This could impact both the project schedule and budget. The team shares insights on the risk's likelihood and impact with the risk manager.
What should the risk manager do?
A. Assume the vendor will deliver on time and focus only on internal risks.
B. Allocate contingency funds without first evaluating the risk's probability and impact.
C. Wait indefinitely for the vendor's update before analyzing the risk.
D. Assess the risk using a probability-impact matrix and prioritize it based on its score.

Answer: D (LEAVE A REPLY)
The probability-impact matrix is a standard tool for qualitative risk analysis, as recommended by PMI:
"A probability and impact matrix is used to prioritize identified risks for further analysis or action by combining their probability of occurrence and impact on project objectives."
- PMBOK Guide, 6th Edition, Section 11.3
This ensures the most critical risks are prioritized for response planning.
References:
PMBOK Guide, 6th Edition, Section 11.3

NEW QUESTION: 109
An organization is executing a business transformation project with stakeholders from multiple departments.
The risk manager regularly monitors and reports project risks. However, stakeholders apply different interpretations to risk levels such as "critical," "moderate," and "acceptable," resulting in an inconsistent understanding of risk severity and confusion.
What should the risk manager do?
A. Allow stakeholders in each department to apply their own interpretation of risk severity to reflect functional priorities.
B. Convert frequently debated risks into issues to eliminate ambiguity in risk classification among stakeholders.
C. Establish and communicate common risk thresholds and definitions for risk levels to align risk reporting.
D. Increase the frequency and level of detail in risk reports so stakeholders can better understand the risk information.
Answer: (SHOW ANSWER)
The risk manager should establish and communicate common risk thresholds, definitions, scoring criteria, and escalation rules.
Risk terms such as "critical," "high," "moderate," "low," and "acceptable" must have consistent meanings across the project. Without agreed definitions, stakeholders may interpret the same risk differently, leading to inconsistent prioritization, ineffective escalation, delayed decisions, and confusion in risk reporting.
Common risk definitions should be documented in the risk management plan or equivalent governance documentation. They may include:
* Defined probability ranges.
* Cost-impact thresholds.
* Schedule-impact thresholds.
* Quality, safety, security, compliance, and reputational criteria.
* Probability-and-impact scoring rules.
* Overall risk-rating categories.
* Risk appetite and risk threshold information.

* Escalation criteria.
* Required response time frames.
* Authority levels for accepting risks.

Option A is incorrect because allowing every department to use its own interpretation would continue the inconsistency. Departments may provide specialized information, but consolidated project reporting requires common criteria.

Option B is incorrect because a risk should not be converted into an issue merely because stakeholders disagree about its rating. A risk is an uncertain event or condition, while an issue is a condition or event that has already occurred.

Option C is correct because common thresholds and definitions create a shared risk language and align stakeholder understanding.

Option D is incorrect because increasing the frequency or detail of reports does not resolve inconsistent risk definitions. More information based on unclear criteria may create additional confusion.

References:

PMI, The Standard for Risk Management in Portfolios, Programs, and Projects. PMI, PMBOK Guide, Sixth Edition, Section 11.1, Plan Risk Management. PMI, PMBOK Guide, Seventh Edition, Stakeholder and Uncertainty Performance Domains. PMI-RMPExamination Content Outline, Stakeholder Engagement Domain. ISO 31000:2018, Risk Management-Guidelines, Sections 6.3 and 6.7.

NEW QUESTION: 110

A risk manager is overseeing the construction of a new office building and finds that some risks were underestimated in their impact on the project timeline and budget. The risk manager is reassessing the current risk levels to prevent further escalation.

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Which two actions should the risk manager take? Choose two.

A. Conduct a detailed risk audit to verify the accuracy of the risk assessments.
B. Implement automation to track project risks in real time.
C. Adjust risk priorities in the risk register based on the new assessment data.
D. Facilitate a risk-planning workshop to select strategies for the high-priority risks.
E. Reassess risk exposure using predictive analytics tools.

Answer: (SHOW ANSWER)

The risk manager should update the risk priorities in the risk register and facilitate the selection of appropriate response strategies for the risks that are now considered high priority.

Option C is correct because risk information must be updated whenever reassessment identifies a change in risk exposure. If the original schedule and budget impacts were underestimated, the risk register should be revised to reflect the new information.

Updates may include:

* Revised probability ratings.
* Revised cost and schedule impacts.
* Revised probability-and-impact scores.

* Updated risk priorities.
* Changes in urgency or proximity.
* Updated risk triggers.
* Updated risk owners and action owners.
* Revised residual and secondary risks.
* New escalation requirements.
* Changes to contingency or management reserves.

Accurate and current risk information enables stakeholders to make informed decisions and ensures that attention and resources are directed toward the most significant risks.

Option D is correct because risks that have increased to a high-priority level require appropriate response planning. A risk-planning workshop allows the relevant stakeholders, risk owners, construction specialists, cost experts, schedule experts, contractors, and project leadership to select and agree on suitable response strategies.

For threats, the available response strategies may include:

* Avoid.
* Mitigate.
* Transfer.
* Escalate.
* Accept.

The workshop should also define response actions, responsibilities, deadlines, required resources, triggers, contingency plans, fallback plans, and reporting requirements.

Option A may be useful for determining why the original assessments were inaccurate. However, it is not one of the two most immediate actions. The priority is to update the risk information and plan appropriate responses.

Option B is incorrect because automation does not correct inaccurate risk assessments or determine suitable responses. Automated tracking is only effective when the underlying data and criteria are accurate.

Option E may be useful in certain circumstances, but predictive analytics is only one possible analysis technique. The question already states that the risks are being reassessed. The immediate required actions are to update the risk priorities and develop appropriate responses.

References:

PMI, The Standard for Risk Management in Portfolios, Programs, and Projects. PMI, PMBOK Guide, Sixth Edition, Section 11.7, Monitor Risks. PMI, PMBOK Guide, Sixth Edition, Section 11.5, Plan Risk Responses. PMI, PMBOK Guide, Seventh Edition, Uncertainty and Measurement Performance Domains.

PMI-RMPExamination Content Outline, Monitor and Close Risks Domain. PMI-RMPExamination Content Outline, Risk Response Domain. ISO 31000:2018, Risk Management-Guidelines, Sections 6.4.3,

6.4.4, 6.5, and 6.6.

NEW QUESTION: 111

A risk manager has been assigned to prepare a risk management plan for a new project. Which factor should the risk manager prioritize when tailoring the risk management processes for the new project?

A. Available funds for risk management activities

B. Size and duration of the project

C. Maturity of the organization ' s risk management processes

D. Number of stakeholders associated with the project

Answer: (SHOW ANSWER)

Tailoring risk management processes is mainly based on the size and duration (complexity) of the project.

The PMBOK Guide confirms:

" The size, complexity, and duration of the project are primary considerations when tailoring risk management activities. Larger or longer projects require more rigorous processes. "

- PMBOK Guide, 6th Edition, Section 11.1

References:

PMBOK Guide, 6th Edition, Section 11.1

NEW QUESTION: 112

Which statement describes the risk portrayed on the risk matrix heat map below?

A. The risk has a probability of 60% of occurrence and a medium impact rating.

B. The risk has a probability of 40% of occurrence and a high impact rating.

C. The risk has a high impact and probability of occurring.

D. The risk has a low probability and high impact rating.

Answer: (SHOW ANSWER)

The risk matrix heat map is a graphical tool that displays the probability and impact of risks in a project. The horizontal axis represents the probability of occurrence, and the vertical axis represents the impact rating. The colors indicate the level of risk exposure, from green (low) to red (high). The risk in question is located in the upper right quadrant of the matrix, which means it has a high impact rating. The probability of occurrence can be estimated by looking at the scale on the horizontal axis. The risk is slightly to the left of the 50% mark, which means it has a probability of occurrence of about 40%. Therefore, the correct statement that describes the risk is B. The risk has a probability of 40% of occurrence and a high impact rating. References: PMI, The Standard for Risk Management in Portfolios, Programs, and Projects, 2019, p. 104-105.

NEW QUESTION: 113

An organization faces immense competition in the market and decides to accelerate a key project. What is the first action for the project risk manager to take?

A. Update the risk register

B. Meet with the project ' s stakeholders

C. Revise the risk management plan

D. Ensure sufficient resources are available

Answer: (SHOW ANSWER)
According to the PMBOK Guide1, the risk management plan is a component of the project management plan that describes how risk management activities will be structured and performed. It provides guidance on how the project team will identify, analyze, respond, monitor, and control risks throughout the project life cycle. The risk management plan should be reviewed and updated whenever there are changes in the project scope, schedule, budget, or objectives, as these changes may introduce new risks or affect the existing ones. In this case, the organization's decision to accelerate a key project is a significant change that may alter the risk profile of the project. Therefore, the first action for the project risk manager to take is to revise the risk management plan to reflect the new situation and ensure that the risk management processes are aligned with the project objectives and constraints. This is part of the Plan Risk Management process in the PMBOK Guide1. References: 1: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition

NEW QUESTION: 114
During the design phase the project team is exploring various architecture options. After reviewing the results of design pilot, two conflicting infrastructure pieces were identified.
What action should the project manager take?
A. Reassess the design for the two pieces.
B. Escalate the situation and request approval to move forward.
C. Confirm the results through a second pilot.
D. Update the assumptions log and assess the risk associated with it.
Answer: (SHOW ANSWER)

NEW QUESTION: 115
A risk manager is assigned to a new system deployment project with a strict contractually agreed-on schedule.
One of the key risks identified is the availability of experts because many are shared on other strategic projects in the organization.
What should the risk manager do to address this situation?
A. Implement a disciplined tracking method and report to stakeholders accordingly.
B. Call for a project team meeting to review risk strategies and make required adjustments.
C. Escalate the staffing topic to the sponsor and request more budget for contingencies.
D. Revisit the project charter for scope adjustments and sign them off with the customer.
Answer: (SHOW ANSWER)
According to the PMI Risk Management Professional (PMI-RMP)Examination Content Outline1, one of the tasks in the domain of Risk Response is to call for a project team meeting to review risk strategies and make required adjustments, as needed, based on risk monitoring and reporting1. In this scenario, the risk manager should do this to address the situation of the availability of experts, which is a key risk for the project. The project team meeting will help the risk manager and the project team to evaluate the effectiveness of the current risk response plan,

identify any new risks or changes in existing risks, and develop alternative risk strategies and actions to deal with the staffing issue. The project team meeting will also facilitate the communication and collaboration among the project team members and other stakeholders, and ensure that the project objectives and expectations are aligned. The risk manager should not implement a disciplined tracking method and report to stakeholders accordingly, because that is not a proactive risk response strategy, but rather a passive risk monitoring and reporting technique2. The risk manager should not escalate the staffing topic to the sponsor and request more budget for contingencies, because that is not a feasible or appropriate risk response strategy, as it does not address the root cause of the risk or provide a solution to the problem3. The risk manager should not revisit the project charter for scope adjustments and sign them off with the customer, because that is not a risk response strategy, but rather a scope management process that may have negative impacts on the project quality, cost, and schedule, and may violate the contractual agreement with the customer4. References: 1: PMI Risk Management Professional (PMI-RMP) Examination Content Outline, page 102: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 4563: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 4364: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, page 133.

NEW QUESTION: 116

A company manages confidential customer information, and a data breach exposing sensitive information was discovered. What should the risk manager do?

A. Execute the security risks contingency plan.

B. Get a report of customers affected by the risk.

C. Identify residual and secondary risks.

D. Coordinate a response with the risk owner.

Answer: (SHOW ANSWER)

According to the PMBOK Guide, the risk owner is the person assigned the responsibility of monitoring the risk and implementing the risk response plan. The risk owner should be involved in the risk response execution and evaluation, and should communicate the results and outcomes to the relevant stakeholders. In the case of a data breach, the risk owner should coordinate a response with the risk manager and other parties involved, such as the security team, the legal team, the customer service team, and the senior management.

The risk owner should also report the status of the risk and the effectiveness of the response plan to the risk manager. The risk manager should oversee the risk response process and ensure that the risk is handled appropriately and in alignment with the project objectives and stakeholder expectations. References: = PMBOK Guide, 6th edition, pages 452-453; The Standard for Risk Management in Portfolios, Programs, and Projects, page 79.

NEW QUESTION: 117

A risk management professional is currently facilitating the risk planning process with the project team. To increase the breadth of considered risks, the team wants to include high-level and strategic project risks.
What should the risk management professional do next?
A. Perform a sensitivity analysis to the higher-level aggregate activities
B. Develop a risk breakdown structure (RBS) identifying the potential risk categories
C. Conduct a strengths, weaknesses, opportunities, and threats (SWOT) analysis
D. Perform a base line Monte Carlo simul-ation to address overall threats to project objectives
Answer: C (LEAVE A REPLY)
A SWOT analysis is a risk identification technique that helps to identify high-level and strategic project risks by examining the internal and external factors that may affect the project objectives. A SWOT analysis involves listing the strengths, weaknesses, opportunities, and threats of the project, and then analyzing how they may impact the project positively or negatively. A SWOT analysis can help to uncover potential risks that may not be obvious from other techniques, such as prompt lists, interviews, or brainstorming12
1: PMI Risk Management Professional (PMI-RMP) Handbook, page 10 2: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Seventh Edition, page 11.2.2.1

NEW QUESTION: 118
Towards the end of definitive design, project costs have increased to the point where it will be classified as a capital asset project. The customer has expressed they want one final total project completion date and will afford no extensions after it is established.
How should the risk manager proceed?
A. Perform a qualitative risk analysis and update the results.
B. Update the assumptions/exclusions register with the new information.
C. Update the risk register and prepare for the Monte Carlo analysis.
D. Perform a quantitative risk analysis and update the results.
Answer: (SHOW ANSWER)
The risk manager should perform a quantitative risk analysis to determine the potential impact of risks on the project ' s completion date. This will help in providing a more accurate project completion date to the customer, considering the risks and their potential effects on the project schedule.
According to the PMI Risk Management Professional (PMI-RMP) Examination Content Outline1, one of the tasks in the domain of Risk Analysis is to perform quantitative risk analysis using techniques such as Monte Carlo simul-ation, decision tree analysis, sensitivity analysis, etc., to quantify the possible outcomes for the project and their probabilities, and to evaluate the cost and schedule impacts of risks1. In this scenario, the risk manager should perform a quantitative risk analysis and update the results, because the project costs have increased significantly and the customer has imposed a strict deadline for the project completion. A quantitative risk analysis will help the risk manager to estimate the probability of meeting the project objectives, such as cost and schedule, and to determine the appropriate contingency reserves for the project. A

quantitative risk analysis will also provide more accurate and reliable information for the customer and the project team, and will support the risk response planning process2. References: 1: PMI Risk Management Professional (PMI-RMP) Examination Content Outline, page 92: A Guide to the Project Management Body of Knowledge (PMBOK Guide) - Sixth Edition, pages 431-432.

NEW QUESTION: 119

it typically takes 5 hours to perform a complete home inspection. If there are unforeseen risk factors, it can take up to 7 hours to finish the inspection. The earliest the project team has ever finished an inspection is in 3 hours.

Using the project evaluation and review technique (PERT) to estimate duration how many hours should the project manager plan to schedule the task taking into account all the positive and negative risk factors?

A. 4 hours

B. 5 hours

C. 6 hours

D. 12 hours

Answer: (SHOW ANSWER)

The Project Evaluation and Review Technique (PERT) is a statistical tool used in project management to estimate the duration of tasks by considering uncertainty and variability. PERT employs a weighted average of three time estimates:

Optimistic (O): The shortest time in which the task can be completed (3 hours).

Most Likely (M): The best estimate of the time required under normal conditions (5 hours).

Pessimistic (P): The longest time the task might take, assuming potential issues (7 hours).

PMI Risk Management Study Guide References:

The PMI-RMP Exam Preparation Study Guide outlines the PERT formula and its application in estimating task durations, highlighting its effectiveness in incorporating uncertainty into project schedules.

NEW QUESTION: 120

A risk manager notices that a risk owner is facing challenges implementing their response strategy and the costs are significantly exceeding expectations. What is the first thing the risk manager should do?

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A. Highlight this situation to the project manager

B. Conduct a cost-benefit analysis

C. Change the risk response strategy

D. Analyze the situation and meet with the risk owner

Answer: (SHOW ANSWER)

The first thing the risk manager should do is analyze the situation and meet with the risk owner. This will allow the risk manager to understand the challenges faced by the risk owner and work with them to find a solution. Conducting a cost-benefit analysis or changing the risk response strategy may be necessary, but it is important to first understand the situation before taking any action.

According to the PMI-RMP Exam Content Outline, one of the tasks in the domain of Risk Response Planning is to "assist the risk owners in developing and implementing risk response strategies and actions based on the agreed-upon risk response plan". Therefore, the first thing the risk manager should do is to analyze the situation and meet with the risk owner to understand the root cause of the challenges and the cost overrun, and to discuss possible solutions or alternatives. Highlighting this situation to the project manager, conducting a cost-benefit analysis, or changing the risk response strategy are possible actions that can be taken after the analysis and meeting, but not before. References: PMI-RMP Exam Content Outline, Domain 3: Risk Response Planning, Task 31

NEW QUESTION: 121

A key hardware component failed during a large software implementation project, with significant organizational impact. The risk owner was on vacation and no one responded to this incident, thereby causing project delays.

What should have been done to prevent this situation?

A. The project manager should have requested and mandated that no vacations be taken during critical implementation activities or until all implementation had been completed for the project.

B. The risk manager should have anticipated this situation and planned for schedule buffers in the project schedule to accommodate the likelihood of failed hardware.

C. The risk owner should have communicated with the project manager so that a designated stakeholder could have been assigned to accept accountability for implementing risk responses.

D. The risk manager should have taken the responsibility of responding to this risk instead of relying on and waiting for the risk owner to return from vacation.

Answer: (SHOW ANSWER)

The correct answer is C. The risk owner should have communicated with the project manager so that a designated stakeholder could have been assigned to accept accountability for implementing risk responses.

The core problem in this scenario is not simply that the hardware failed. The real failure is that no one was available and accountable to respond when the risk event occurred . In sound risk management practice, each significant risk should have a clearly assigned risk owner responsible for monitoring the risk and ensuring that the agreed response is implemented. If that individual becomes unavailable, responsibility should not be left unattended. A backup or delegated stakeholder should be assigned so that accountability continues without interruption.

This makes option C the best answer because it addresses the actual governance gap: lack of continuity in risk ownership and response accountability. Proper planning for risk response execution includes ensuring coverage when the assigned owner is absent.

Why the other options are incorrect:

* A. The project manager should have requested and mandated that no vacations be taken during critical implementation activities or until all implementation had been completed for the project. This is unrealistic and not a proper risk management control. Projects should be structured so

that important responsibilities continue even when people are unavailable. Preventing vacations is not an appropriate or sustainable risk response strategy.
* B. The risk manager should have anticipated this situation and planned for schedule buffers in the project schedule to accommodate the likelihood of failed hardware. Schedule buffers may help absorb delays, but they do not solve the real issue described in the question, which is the absence of anyone responsible for responding to the incident. The key deficiency is accountability, not just schedule flexibility.
* D. The risk manager should have taken the responsibility of responding to this risk instead of relying on and waiting for the risk owner to return from vacation. The risk manager facilitates and oversees the risk management process, but does not automatically become the response owner for every risk. The correct approach is assignment of the appropriate risk owner or delegate, not centralizing all response responsibility in the risk manager.
Best-practice reasoning:
Risk ownership must be explicit, continuous, and supported by delegation when needed. For critical risks, organizations should ensure backup accountability and escalation paths so that risk responses can be executed immediately when triggers occur.
Reference-aligned basis:
This answer is consistent with standard risk management guidance that emphasizes:
* assigning a risk owner to each significant risk,
* ensuring responsibility for implementing agreed responses,
* maintaining continuity of risk response accountability during project execution.
References:
PMI, A Guide to the Project Management Body of Knowledge (PMBOK Guide) , Project Risk Management PMI, Practice Standard for Project Risk Management ISO 31000, risk treatment and assignment of responsibilities

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NEW QUESTION: 122
The risk manager for an IT project developing a software application has a major stakeholder concerned that the project will not conclude within the available funding. The risk manager found delays in the iterations and increments in the project's budget, potentially increasing the duration by two weeks.

What tools should the risk manager use to properly decide the risk of not finishing the project within the budget?

A. Stakeholder management and communication tools

B. Team performance reports and analysis tools

C. Schedule management tools (i.e., Gantt Charts)

D. Estimation and probability analysis tools (i.e. Monte Carlo simulations)

Answer: (SHOW ANSWER)

In a situation where there are concerns about finishing the project within the budget due to delays and cost increments, using estimation and probability analysis tools, such as Monte Carlo simulations, is appropriate.

These tools help the risk manager to model potential outcomes based on different scenarios, providing a statistical probability of staying within the budget or finishing on time. This data-driven approach allows for more informed decision-making regarding the project's financial risks.

NEW QUESTION: 123

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.

Answer: (SHOW ANSWER)

According to the PMI-RMP Exam Content 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 Exam Content Outline, page 7.

NEW QUESTION: 124

An organization with a portfolio of unique business functions kicks-off a performance improvement project across the entire organization. There are a large number of stakeholders the project team will need to consider during risk identification.

What three actions should the risk manager ensure the project team performs during risk identification?
(Choose 3)
A. Develop checklists based on historical information
B. Conduct interviews, meetings, and focus groups
C. Assign a different risk manager for each portfolio unit
D. Employ brainstorming to generate spontaneous ideas
E. Perform qualitative and quantitative risk analyses
Answer: A,B,D (LEAVE A REPLY)
During risk identification, the risk manager should ensure the following actions are performed:
A). Develop checklists based on historical information: Checklists are valuable tools in risk identification as they draw from previous projects' experiences and ensure that commonly encountered risks are not overlooked.
B). Conduct interviews, meetings, and focus groups: These are key methods for gathering qualitative data from stakeholders, which can reveal potential risks based on their experiences and expectations.
D). Employ brainstorming to generate spontaneous ideas: Brainstorming is an effective technique for generating a wide range of potential risks quickly, allowing the project team to explore various scenarios and possibilities.
These actions align with PMI's best practices for comprehensive risk identification, ensuring that all possible risks are considered and documented.

NEW QUESTION: 125
A project team is presenting a delivery plan to a client. Some of the client's experts do not feel comfortable with some activities at a critical stage. The experts ask to change the plan and present a better alternative.
What should the risk manager do first?
A. Review and update the project quality management plan.
B. Conduct a risk assessment process for the critical stage.
C. Create a more detailed work breakdown structure (WBS).
D. Add additional time to the delivery plan to cover issues.
Answer: (SHOW ANSWER)
If client's experts express discomfort with some activities at a critical stage, the first step for the risk manager is to conduct a risk assessment process for that stage. This assessment will help identify the specific risks associated with the activities in question, evaluate their potential impact, and develop appropriate mitigation strategies. This ensures that the project plan is robust and that all stakeholders are confident in its execution.

NEW QUESTION: 126

The project risk manager is in the process of identifying risks. The project sponsor has communicated that there is an influential stakeholder who has a senior management position. The other stakeholders do not feel comfortable speaking in front of this stakeholder.
What should the project risk manager do next to identify risks?
A. Review the risk breakdown structure to ensure project scope is covered.
B. Use the brainstorming technique to remove personal bias.
C. Use expert judgment to remove ego or emotional conflict.
D. Consider the Delphi technique to gather all stakeholder opinions.
Answer: (SHOW ANSWER)
The Delphi technique allows the project risk manager to gather opinions from all stakeholders anonymously.
This method would enable stakeholders to express their concerns without feeling uncomfortable in front of the influential stakeholder.
The Delphi technique is a tool used to make quick decisions with consensus. This technique consists of sending several sets of anonymous questions to each expert. This is followed by a group discussion after every round. The Delphi technique can help the project risk manager to identify risks by soliciting the opinions of all stakeholders without revealing their identities. This way, the stakeholders can express their views freely and honestly, without being influenced or intimidated by the influential stakeholder. The Delphi technique can also reduce personal bias, ego, or emotional conflict among the participants. The project risk manager can use the resultsof the Delphi technique to create a list of potential risks and their causes, effects, and probabilities.
References: 3, 2, 5

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