

# Practice Exam Questions



## PMI Risk Management Professional



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# **PMI**

## **Exam PMI-RMP**

### **PMI Risk Management Professional (PMI-RMP)Exam**

**Version: 8.0**

**[ Total Questions: 115 ]**

**Question No : 1**

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: B**

**Explanation:** 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.

**Question No : 2**

The project sponsor asks the project manager about the accuracy of the project data. The project manager realizes that some risks have not been updated recently.

What should the project manager do regarding those risks?

- A. Review the assumptions analysts
- B. Conduct a checklist analysis on each risk
- C. Create a risk response plan for those risks
- D. Review the risk register to check for the new risks

**Answer: D**

**Explanation:** If the project manager realizes that some risks have not been updated recently, they should review the risk register to check for new risks and ensure that all risks are accurately documented and updated.

**Question No : 3**

A project manager is assigned to a new project and is told they need to develop the project's risk register. When should the project manager identify the project risks?

- A. Identify risks only at the project's midpoint for the stakeholders to review them
- B. Ensure project team members proactively identify risks throughout the project to plan for possible response strategies
- C. Identify risks at the beginning of the project because the risk posture will not change
- D. Delegate risk identification to each team member and have them record the risks on separate risk registers for their areas

**Answer: B**

**Explanation:** Risk identification should be an ongoing process throughout the project lifecycle. Encouraging project team members to proactively identify risks allows for continuous risk management and the development of appropriate response strategies as new risks emerge.

#### Question No : 4

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: D**

**Explanation:** 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.

**Question No : 5**

A risk manager has been assigned to a project constructing a chemical laboratory. Unfamiliar with chemical laboratories, the risk manager is unsure of where to start objectively identifying risks.

What should the risk manager do?

- A. Import a risk register from other industry chemical laboratories.
- B. Define chemical laboratory safety risk thresholds.
- C. Review published operational experience reports.
- D. Draft threat and opportunity risks that come to mind.

**Answer: C**

**Explanation:** Reviewing published operational experience reports from similar projects or industries can help the risk manager objectively identify risks for the chemical laboratory project. These reports provide valuable insights into potential risks and lessons learned from other projects.

**Question No : 6**

A project manager is working on a complex construction project. During the risk identification process, hundreds of risks were identified. The team seems to be confused regarding on which risks to focus. The project manager advises the team to go ahead and start assessing the likelihood and impact of each risk.

What process is this part of?

- A. Plan Risk Management
- B. Perform Qualitative Risk Analysis
- C. Perform Quantitative Risk Analysis
- D. Monitor and Control Risk

**Answer: B**

**Explanation:** The process of assessing the likelihood and impact of each identified risk is part of the Perform Qualitative Risk Analysis process. This process helps prioritize risks based on their probability and impact, allowing the project team to focus on the most significant risks. By doing so, the project manager and team can allocate resources and effort to address the risks that pose the greatest threat or opportunity to the project.

**Question No : 7**

The risk manager conducted an updated Monte Carlo simulation for the project at the end of a phase. The simulation reveals a key activity is now on the critical path.

What recommendation should the risk manager make to the project manager?

- 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: C**

**Explanation:** 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.

**Question No : 8**

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: C**

**Explanation:** The risk owner should conduct an analysis to determine the root cause of the failed response. Understanding the root cause will help in developing appropriate measures to address the new unforeseen risk and improve the effectiveness of risk

responses in the future.

**Question No : 9**

Several key stakeholders approach the project manager with concerns. The stakeholders have received feedback from local businesses that have reported a reduction in customers because of construction activities at the worksite, and they plan to submit a claim to the municipality to fine the project manager's company.

How should the project manager address this concern?

- A. Evaluate the risk with the team and update the issueing
- B. Discuss the concern with the local business owners.
- C. Update the key risks and perform a quantitative risk analysis.
- D. Adjust construction work hours to after business hours.

**Answer: A**

**Explanation:** The project manager should evaluate the risk with the team and update the issueing to address the concerns of the stakeholders and local businesses.

**Question No : 10**

A project manager is working on a construction project. Based on past experience, the project manager identifies a risk that a supplier of a critical material may not deliver on time. The project manager has already accounted for this risk in the risk management plan. If this risk materializes, the project manager plans to procure the material from a different supplier. A potential risk in this plan is that there may be differences in the material provided by the first and second supplier.

What type of risk is this?

- A. Residual risk
- B. Primary risk
- C. Secondary risk
- D. Normal risk

**Answer: C**

**Explanation:** This is a secondary risk because it is a risk that arises as a direct result of

implementing a risk response (in this case, procuring material from a different supplier).

**Question No : 11**

When conducting a risk identification exercise, what two actions should the risk manager take? (Choose two.)

- A. Request a contingency reserve from management
- B. Arrange a team meeting, review the project's scope, and discuss dependency mapping
- C. Ensure participants review relevant documents before attending the meeting
- D. Ensure that all the relevant stakeholders participate
- E. Update the risk register during the team meeting.

**Answer: C,D**

**Explanation:** When conducting a risk identification exercise, the risk manager should ensure participants review relevant documents before attending the meeting and ensure that all relevant stakeholders participate. This helps ensure a comprehensive understanding of the project and its risks, and promotes effective risk identification.

**Question No : 12**

The project's customer has stated the project must be completed by a date indicated as the P90 date established on the Monte Carlo analysis. What should the project manager do to ensure the P90 date is met?

- A. Update the assumptions/exclusions register
- B. Hire more resources and crash the schedule
- C. Perform a qualitative risk analysis for the project
- D. Mitigate risks identified on the sensitivity analysis

**Answer: D**

**Explanation:** The project manager should mitigate risks identified on the sensitivity analysis to ensure the P90 date is met. Sensitivity analysis helps identify the most critical risks that have the potential to impact the project's completion date. By mitigating these risks, the project manager can increase the likelihood of meeting the P90 date.

**Question No : 13**

A project has a significant impact on an organization. Multiple stakeholders expressed concerns regarding the overall project risk during construction of the risk management plan, and they agreed that the risk appetite is low.

What should the project risk manager monitor closely?

- A. Risk thresholds
- B. Risk response strategies
- C. Risk management reports
- D. Risk breakdown structure (RBS)

**Answer: A**

**Explanation:** The project risk manager should monitor risk thresholds closely, as they represent the organization's risk appetite. In a project with a low risk appetite, it is essential to ensure that risks are managed within the defined thresholds to address stakeholders' concerns and maintain their confidence in the project's success.

**Question No : 14**

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: C,D**

**Explanation:** 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.

**Question No : 15**

A project manager is educating the project team on risk management regarding the role of threats and opportunities. The team decides to log the opportunities in the current project's risk register to try to maximize their chances of occurrence.

What should the project team do next?

- A. Conduct a strengths, weaknesses, opportunities, and threats (SWOT) analysis.
- B. Log the threats in the risk register to try to minimize the probability of occurrence.
- C. Log the threats in the risk register to try to maximize the probability of occurrence.
- D. Update the project management plan to ensure the results of the opportunities are captured.

**Answer: B**

**Explanation:** After logging the opportunities in the risk register, the project team should also log the threats to minimize their probability of occurrence. This will help in managing both the positive (opportunities) and negative (threats) aspects of risk and ensure a comprehensive risk management approach.

**Question No : 16**

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

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

- A. Project contracts

- B. Lessons learned registers from analogous projects
- C. Risk register
- D. Risk management plan
- E. Code of regulations

**Answer: A,B,D**

**Explanation:** The project manager should consult or review project contracts, lessons learned registers from analogous projects, and the risk management plan to develop an effective risk planning for the project.

#### Question No : 17

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: D**

**Explanation:** 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.

#### Question No : 18

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: B**

**Explanation:** 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.

#### Question No : 19

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: D**

**Explanation:** 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.

#### Question No : 20

A supplier is delayed in delivering fuel for a project. The project manager anticipated this risk and is requesting fuel from another supplier. When speaking with the other supplier, a

new risk appears because fulfilling the order will cause delays with several other projects.

After performing a detailed analysis, what should the risk manager do?

- A. Escalate the problem to the project sponsors.
- B. Execute the approved risk response plan.
- C. Negotiate with the supplier to resolve the problem.
- D. Assign a team member to update the issue log.

**Answer: B**

**Explanation:** The risk manager should execute the approved risk response plan, which should have been developed during the risk management process. This plan outlines the actions to be taken in response to specific risks and ensures that the project team is prepared to address potential issues.

#### Question No : 21

The project manager leading a company's digital signature initiative for engineering drawings has identified threats and opportunities using a strengths, weaknesses, opportunities, and threats (SWOT) analysis.

What are two potential threats or opportunities under the SWOT analysis? (Choose two.)

- A. The management team agreeing to include more resource for the digital signature initiative.
- B. The organization's professional engineers having reservations about possible information tampering.
- C. A growing number of competitors with digital signatures.
- D. An elimination of manual steps associated with recording wet signatures
- E. The growing adoption of mobile communications in the industry.

**Answer: B,C**

**Explanation:** SWOT analysis identifies strengths, weaknesses, opportunities, and threats. In this case, B and C are potential threats or opportunities. B is a threat as engineers' reservations may hinder the initiative, and C is an opportunity as growing competition may drive the company to improve its digital signature capabilities.

#### Question No : 22

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?

- A. Quantitative risk analysis
- B. Force field analysis
- C. Qualitative risk analysis
- D. Stakeholder analysis

**Answer: C**

**Explanation:** 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.

#### Question No : 23

The risk manager of a major project needs to ensure the organizational process assets (OPAs) are updated as a result of risk management activities. How will the risk manager accomplish this?

- A. Ensuring that the project sponsor is kept well-informed
- B. Arranging periodic risk management process audits
- C. Communicating the status of risks regularly to stakeholders
- D. Monitoring costs with intervention when necessary

**Answer: B**

**Explanation:** The risk manager can ensure the organizational process assets (OPAs) are updated as a result of risk management activities by arranging periodic risk management process audits. These audits help evaluate the effectiveness of risk management processes and identify areas of improvement, leading to updates in the OPAs.

#### Question No : 24

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: D**

**Explanation:** 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.

#### Question No : 25

A project manager is developing the risk register and works with the team to analyze risks and determine their probability and impact. There is valuable historical data available that may be used to simulate the overall risk outcome.

Which type of analysis should the project manager use in this instance?

- A. Check list analysis
- B. Cause and effect
- C. Specialized meeting
- D. Quantitative analysis

**Answer: D**

**Explanation:** In this instance, the project manager should use quantitative analysis to simulate the overall risk outcome. Quantitative analysis techniques, such as Monte Carlo simulation or decision tree analysis, can be used to model the combined effect of individual risks on project objectives. By leveraging historical data, the project manager can generate more accurate and reliable risk assessments, which can help inform risk response strategies and improve project decision-making.

#### Question No : 26