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Exam Name: PMI Risk Management Professional (PMI-RMP)

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QUESTION 1
An organization faces immense competition in the market and decides 10 accelerate a key project. What is the first action for the project risk manager to take?

A. Ensure sufficient resources are available
B. Revise the risk management plan
C. Update the risk register
D. Meet with the project's stakeholders

Answer: B
Explanation:
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 mechanisms. The risk management plan should be aligned with the project management plan, which defines the project scope, schedule, cost, quality, and other aspects. 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 support. 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 the risk status and performance to the stakeholders based on the revised risk management plan.

QUESTION 2
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
Explanation:
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 brainstorming.

QUESTION 3
A project is at the final development stage. The test lead informs the risk manager that a key feature may not be testable due to changes in the environment
What should the risk manager do?

A. Confirm the risk triggers are still valid.
B. Ask the architect to develop acceptance criteria.
C. Review the feature with the project team.
D. Escalate the issue to the project board.

Answer: C
Explanation:
The risk manager should review the feature with the project team to determine the cause and impact of the untestability, and to identify possible solutions or alternatives. The risk manager should also update the risk register and the risk response plan accordingly. This is the best option among the given choices, as it involves the relevant stakeholders and follows the risk management process. Confirming the risk triggers are still valid is not sufficient, as it does not address the problem or its consequences. Asking the architect to develop acceptance criteria is not appropriate, as it may not be feasible or effective to test the feature with new criteria. Escalating the issue to the project board is premature, as it may not be necessary or desirable to involve the senior management without first analyzing the situation and proposing a course of action.

When a key feature may not be testable due to changes in the environment, the risk manager should review the feature with the project team to understand the issue, assess its impact, and determine the appropriate risk response. This collaborative approach ensures that the team has a clear understanding of the situation and can work together to address the risk.

QUESTION 4
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: D
Explanation:
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.

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.

QUESTION 5
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: C
Explanation:
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 mechanisms. The risk management plan should be aligned with the project management plan, which defines the project scope, schedule, cost, quality, and other aspects. 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 support. 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 the risk status and performance to the stakeholders based on the revised risk management plan.

QUESTION 6
During the monthly executive review meeting, the project sponsor would like to understand how the project team has planned to manage risks that were identified in the last meeting. What should the project manager do?

A. Utilize a Monte Carlo assessment to provide risk related impacts.
B. React to the secondary and residual risks only if they occur.
C. Include secondary and residual risks as part of the response.
D. Transfer secondary and residual risks to the project sponsor.

Answer: C
Explanation:
The The project manager should include secondary and residual risks as part of the risk response plan. Secondary risks are those risks that arise as a direct result of implementing a risk response to a specific risk. Residual risks are those risks that are expected to remain after the planned responses of risks have been taken, as well as those that have been deliberately accepted. Both

secondary and residual risks should be identified, analyzed, and monitored throughout the project life cycle. The project manager should communicate the risk response plan to the project sponsor and other stakeholders, and explain how the project team has planned to manage the secondary and residual risks.

Project manager should include secondary and residual risks in the risk response plan, as they may still impact the project. Proactively addressing these risks will help the project team to be prepared and manage them effectively if they occur.

QUESTION 7
A project manager is trying to realize benefits from new material on an adaptive project. This is the first time the project team is using the material so the team does not have information to identify and analyze risks. A team member informs the project manager that a local university has recently published a research journal on the same material.
Where should the project manager find this information?

A. Industrial studies
B. Commercial risk databases
C. Organizational process assets (OPAs)
D. Enterprise environmental factors (EEFs)

Answer: D
Explanation:
Enterprise environmental factors (EEFs) are conditions or circumstances that are not under the control of the project team, but may influence, constrain, or direct the project. EEFs include internal and external factors, such as organizational culture, market conditions, industry standards, government regulations, and academic research. In this case, the project manager should find the information about the new material from the research journal published by the local university, which is an example of an external EEF. This information may help the project manager to identify and analyze the risks associated with the new material and plan appropriate risk responses. Industrial studies, commercial risk databases, and organizational process assets (OPAs) are not the correct choices, as they are not relevant to the question. Industrial studies are systematic investigations of a specific industry or sector, which may provide general information about the market trends, opportunities, and challenges, but not specific information about the new material. Commercial risk databases are sources of information about historical or potential risks that may affect projects in different domains or regions, which may help the project manager to identify common or emerging risks, but not the risks related to the new material. OPAs are the plans, processes, policies, procedures, and knowledge bases specific to and used by the performing organization, which may help the project manager to follow the established guidelines and practices for risk management, but not to obtain new information about the new material.

Enterprise environmental factors (EEFs) include information from external sources, such as academic research, industry studies, and market conditions. this case, the project manager should refer to the research journal published by the local university as an EEF to gather information about the new material and its associated risks.

QUESTION 8
A risk manager is confident that they have identified and quantified the risks and opportunities for a project. When presenting their work to management, on what areas should the risk manager focus? (Choose two.)

A. Risks that are tied to the success of the organization
B. Risks as they apply to the organization's overall risk management philosophy and strategic

ambition

C. Huge opportunities that possibly bring an additional 30% return for 10 projects in the next year
D. Risks related to cost that will impact the major projects that are currently in the execution phase
E. Risk mitigation actions that will require work from stakeholders

Answer: AB
Explanation:
One of the factors that can influence the Plan Risk Management process is the organization's risk attitude, appetite, tolerance, and thresholds. These terms describe the degree of uncertainty that an organization is willing to accept in pursuit of its goals, and how it approaches, operates, and responds to risk. Therefore, when presenting their work to management, the risk manager should focus on the risks that are tied to the success of the organization, and the risks as they apply to the organization's overall risk management philosophy and strategic ambition. These aspects can help the management to understand the alignment of the project risks with the organizational objectives and values, and to make informed decisions about risk responses.

The risk manager should focus on risks that are directly tied to the success of the organization and those that align with the organization's risk management philosophy and strategic ambition. This will ensure that management is informed about the most relevant risks and opportunities for the project.

QUESTION 9
A mega facility development project is evaluating some options to achieve the project schedule and budget. Each option's success is driven by multiple quantifiable factors. What should the project manager do to evaluate and select the best option based on costs and probabilities?

A. Perform a FMECA fault tree analysis
B. Conduct a sensitivity analysis
C. Perform a decision tree analysis
D. Conduct an analytic hierarchy process

Answer: C
Explanation:
A decision tree analysis is a tool that helps to evaluate and select the best option among different alternatives based on costs and probabilities. A decision tree analysis uses a graphical representation of a decision problem, where each node represents a decision point, a chance event, or an outcome. The branches of the tree show the possible choices, events, or consequences that can occur at each node. The end nodes of the tree show the expected value or payoff of each option, which is calculated by multiplying the probability and the cost or benefit of each outcome. A decision tree analysis can help to compare the expected values of different options and choose the one that maximizes the benefit or minimizes the cost. A decision tree analysis can also help to incorporate uncertainty and risk into the decision making process, as it shows the range of possible outcomes and their likelihoods. Therefore, the project manager should perform a decision tree analysis to evaluate and select the best option based on costs and probabilities for a mega facility development project. Performing a FMECA fault tree analysis, conducting a sensitivity analysis, or conducting an analytic hierarchy process are not the best options to evaluate and select the best option based on costs and probabilities. A FMECA fault tree analysis is a tool that helps to identify and analyze the potential causes and effects of failures in a system or process. It uses a graphical representation of a failure event, where each node represents a basic or intermediate event that contributes to the failure. The branches of the tree show the logical relationships between the events, using AND or OR gates. A FMECA fault tree analysis can help to calculate the probability and severity of failures, as well as to prioritize and mitigate the risks. However, a FMECA fault tree analysis does not help to compare different options or alternatives, as it focuses on a single failure scenario. Conducting a sensitivity analysis

is a tool that helps to measure how the uncertainty in the input variables of a model affects the output or outcome of the model. It uses a graphical or numerical representation of the relationship between the input and output variables, showing how the output changes when the input changes. A sensitivity analysis can help to identify the most critical or influential variables, as well as to test the robustness or reliability of the model. However, a sensitivity analysis does not help to compare different options or alternatives, as it focuses on a single model or option. Conducting an analytic hierarchy process is a tool that helps to evaluate and select the best option among different alternatives based on multiple criteria. It uses a mathematical method of pairwise comparison, where each alternative is compared to each other in terms of each criterion. The results of the comparisons are then aggregated into a matrix, which shows the relative importance or preference of each alternative. An analytic hierarchy process can help to rank the alternatives and choose the one that best satisfies the criteria. However, an analytic hierarchy process does not help to incorporate costs and probabilities into the decision making process, as it relies on subjective judgments and preferences.

A decision tree analysis is a quantitative risk analysis technique that helps evaluate and select the best option based on costs and probabilities. It visually represents different decision paths and their associated probabilities, allowing the project manager to compare and select the most appropriate option for the project.

QUESTION 10
When processing freight invoices for a project, the project manager notices the shipping costs exceeded the budget due to increased fuel costs. The risk manager included this risk in the project's contingency allowance. When reviewing the project budget execution reports, the project manager notices unused budget remaining in other closed tasks of the project that could cover the additional shipping costs.
What should the project manager do?

A. Process the freight invoices at higher shipping costs against the project's contingency allowance.
B. Request a formal change order from the customer to increase the project's total budget.
C. Process the freight invoices for the budgeted amount and hope the shipping company will forgive the difference.
D. Ask the project sponsor to cover the additional shipping costs on the company's reserves account.

Answer: A
Explanation:
The project's contingency allowance is a provision in the project budget that is intended to cover known risks that may affect the project costs. The risk of increased fuel costs was identified and included in the contingency allowance, so the project manager should use it to process the freight invoices at the actual shipping costs. This is the best way to handle the risk without affecting the project scope, schedule, or quality. Requesting a formal change order from the customer (option B) is not necessary, as the project budget already has a provision for this risk. Processing the freight invoices for the budgeted amount and hoping the shipping company will forgive the difference (option C) is unethical and unprofessional, as it violates the terms of the contract and the PMI Code of Ethics and Professional Conduct. Asking the project sponsor to cover the additional shipping costs on the company's reserves account (option D) is also not appropriate, as the company's reserves are meant for unknown risks that are beyond the project's control, not for known risks that are already accounted for in the project budget.

The project manager should use the contingency allowance to cover the additional shipping costs, as it was specifically included in the project budget for such risks. This approach avoids requesting unnecessary changes or relying on external sources to cover the cost overrun.

QUESTION 11
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 simul-ation.
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: CD
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. 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 simul-ation, as this is not a mandatory or universal requirement for a risk register. Monte Carlo simul-ation 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.

QUESTION 12
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: C
Explanation:
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 project management plan, perform an assumptions and constraints analysis, or implement mitigation measures without first consulting with the sponsors and obtaining their approval.

QUESTION 13
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
Explanation:
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 project. A risk response is a strategy or action that is taken to reduce the negative effects or enhance the positive effects of a risk event. 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 project. 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 mechanisms. 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.

QUESTION 14
A project manager has been assigned to a project that is just starting. The organization has a very low risk appetite towards this project due to constraints on budget and schedule. The project stakeholders are very engaged on the project and want to ensure that there is clear visibility on the project risks and progress.
How should the project manager handle stakeholder expectations?

A. Add buffers to the schedule to accommodate risk.
B. Ensure the risk register includes all identified risks.
C. Discuss the risk response strategies with the stakeholders.
D. Develop a communication plan to share updates on risks.

Answer: D
Explanation:
The project manager should discuss the risk response strategies with the stakeholders to handle their expectations. This will help the project manager to align the risk responses with the stakeholder's risk appetite, preferences, and expectations. It will also help the project manager to obtain the stakeholder's support and approval for the risk responses. This is the best way to ensure clear visibility on the project risks and progress. Adding buffers to the schedule to accommodate risk (option A) is not a good practice, as it may create false expectations and hide the true impact of risk. Ensuring the risk register includes all identified risks (option B) is important, but it is not enough to handle stakeholder expectations. The project manager also needs to communicate the risk register to the stakeholders and discuss the risk responses with them. Developing a communication plan to share updates on risks (option D) is also a good practice, but it is not sufficient to handle stakeholder expectations. The project manager also needs to involve the stakeholders in the risk response planning process and obtain their feedback and approval.

The project manager should develop a communication plan to share updates on risks (D) to handle stakeholder expectations, especially since the organization has a low risk appetite and stakeholders are very engaged. This approach ensures that stakeholders are regularly informed about the project's risks and progress, addressing their concerns and expectations.

QUESTION 15
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.

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 predictive approach 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.

QUESTION 16
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: A
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.

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". 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. 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.

QUESTION 17
A project manager is working on a high priority and high profile project. The project team had identified three opportunities, and after analysis, risk responses were recorded. Although risk responses were adequate for the identified opportunities, two of those opportunities were not acted upon. During the risk audit, the project manager found out that several of the planned risk responses were not implemented.
What should the project manager have done to avoid this?

A. Provided regular training to the risk owners for plan implementation
B. Determined risk triggers and thresholds in the risk response plan
C. Increased communications to influence stakeholder risk responses
D. Updated the project schedule, adding risk owner implementation tasks.

Answer: D
Explanation:
The project manager should have updated the project schedule by adding risk owner implementation tasks. This would have ensured that the planned risk responses were implemented in a timely manner and tracked as part of the project schedule. This would also have allowed the project manager to monitor the progress of risk response implementation and take corrective action if necessary.

QUESTION 18
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.

The process of assessing the likelihood and impact of each risk is part of the Perform Qualitative Risk Analysis process, which 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. This process helps the project manager and the team to focus on the high-priority

risks that have the most influence on achieving the project objectives.

QUESTION 19
A home solar panel project has many internal and external stakeholders including households, businesses, community groups, electric utility companies, local government officials, landlords, and investors. What should the project manager do when engaging stakeholders?

A. Include all stakeholders in the project's governance.
B. Communicate response strategies to all stakeholders.
C. Ignore any risks beyond stakeholders' tolerance.
D. Consider stakeholders' positions and opinions regarding the project's output.

Answer: D
Explanation:
The project manager should consider stakeholders' positions and opinions regarding the project's output when engaging stakeholders. This approach helps to address stakeholders' concerns, expectations, and potential objections, and it can lead to better decision-making and more successful project outcomes. It is important for the project manager to maintain open communication with stakeholders and to be responsive to their needs and perspectives.
One of the tasks under the domain of stakeholder engagement is to "engage stakeholders by communicating with them to understand their positions and opinions regarding the project's output, and to ensure that their interests are considered in the risk management process" (Task 1.3). This implies that the project manager should consider stakeholders' perspectives and expectations when engaging them, and not ignore, exclude, or impose on them.

QUESTION 20
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 simul-ation 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. Quantitative analysis is a type of risk analysis that numerically analyzes the effect of identified risks on overall project objectives. It involves using historical data and other information to estimate the probability and impact of risks, and then applying mathematical techniques such as simul-ation, sensitivity analysis, decision tree analysis, or expected monetary value analysis to quantify the overall risk exposure of the project. Quantitative analysis can provide more accurate and objective results than qualitative analysis, which relies on subjective judgments and ratings. Quantitative analysis can also help the project manager prioritize risks, determine the optimal risk response strategy, and allocate contingency reserves.

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