



Vendor: ISACA

Exam Code: IT-Risk-Fundamentals

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QUESTION 1

Incomplete or inaccurate data may result in:

- A. availability risk.
- B. relevance risk.
- C. integrity risk.

Answer: C

Explanation:

Data integrity refers to the accuracy, completeness, and reliability of data. When data is incomplete or inaccurate, it directly compromises integrity - so incomplete or inaccurate data results in integrity risk.

QUESTION 2

Why is risk identification important to an organization?

- A. It provides a review of previous and likely threats to the enterprise.
- B. It ensures risk is recognized and the impact to business objectives is understood.
- C. It enables the risk register to detail potential impacts to an enterprise's business processes.

Answer: B

Explanation:

The fundamental importance of risk identification is that it brings risks into view - ensuring they are recognized - and connects them to their potential impact on business objectives. You cannot manage or respond to a risk you haven't identified, so this step is the essential foundation that links risk to what the enterprise is trying to achieve.

QUESTION 3

Which of the following includes potential risk events and the associated impact?

- A. Risk scenario
- B. Risk policy
- C. Risk profile

Answer: A

Explanation:

A risk scenario is a description of a potential risk event - including the threat, the vulnerability or condition involved, and the associated impact (consequences) if it occurs. By design, it combines the event with its potential impact to make risk tangible and analyzable.

QUESTION 4

The use of risk scenarios to guide senior management through a rapidly changing market environment is considered a key risk management

- A. benefit.
- B. incentive.
- C. capability.

Answer: A

Explanation:

Using risk scenarios to help senior management navigate and make sound decisions in a rapidly changing market environment represents a key benefit of risk management - it delivers tangible value by improving the quality and agility of strategic decision-making under uncertainty.

QUESTION 5

Which of the following is an example of a tangible and assessable representation of risk?

- A. Enterprise risk policy
- B. Risk treatment plan
- C. Risk scenario

Answer: C

Explanation:

A risk scenario is a tangible, assessable representation of risk because it describes a specific potential event in concrete terms - the threat, the conditions, and the impact - which can then be analyzed and measured for likelihood and consequence. This makes abstract risk concrete enough to evaluate and act upon.

QUESTION 6

An I&T-related risk assessment enables individuals responsible for risk governance to:

- A. define remediation plans for identified risk factors.
- B. assign proper risk ownership.
- C. identify potential high-risk areas.

Answer: C

Explanation:

The core output of an I&T-related risk assessment is an understanding of where the significant risks lie. This enables those responsible for risk governance to identify potential high-risk areas, so they can direct oversight, attention, and resources where they matter most and make informed governance decisions.

QUESTION 7

A business impact analysis (BIA) generates the MOST benefit when:

- A. keeping impact criteria and cost data as generic as possible.
- B. measuring existing impact criteria exclusively in financial terms.
- C. using standardized frequency and impact metrics.

Answer: C

Explanation:

A BIA delivers the most benefit when it uses standardized frequency and impact metrics. Consistent, standardized measurement allows impacts across different processes and business units to be compared, aggregated, and prioritized on a common basis - producing reliable, defensible results that support sound recovery planning decisions.

QUESTION 8

Which of the following is important to ensure when validating the results of a frequency analysis?

- A. Estimates used during the analysis were based on reliable and historical data.
- B. The analysis was conducted by an independent third party.
- C. The analysis method has been fully documented and explained.

Answer: A

Explanation:

Frequency analysis estimates how often a risk event is likely to occur, and the credibility of those estimates depends directly on the quality of the underlying inputs. To validate the results, it's most important to confirm that the estimates were grounded in reliable, relevant historical data - otherwise the conclusions may be inaccurate regardless of how the analysis was performed.

QUESTION 9

Which of the following is the objective of a frequency analysis?

- A. To determine how often risk mitigation strategies should be evaluated and updated within a specific timeframe
- B. To determine how many risk scenarios will impact business objectives over a given period of time
- C. To determine how often a particular risk scenario might be expected to occur during a specified period of time

Answer: C

Explanation:

Frequency analysis estimates the likelihood of occurrence - specifically, how often a given risk scenario can be expected to materialize within a defined period (e.g., events per year). This frequency, combined with impact, drives the overall risk magnitude.

QUESTION 10

A risk practitioner has been asked to prepare a risk report by the end of the day that includes an analysis of the most significant risk events facing the organization. Which of the following would BEST enable the risk practitioner to meet the report deadline?

- A. Delphi method
- B. Markov analysis
- C. Monte Carlo simulation

Answer: A

Explanation:

With a same-day deadline, the Delphi method is the most practical choice. It gathers and synthesizes input from a panel of experts to reach consensus on the most significant risks relatively quickly, without requiring extensive data collection or complex computation. This makes it well-suited to rapidly identifying and analyzing top risk events under time pressure.

QUESTION 11

Which of the following is the MOST likely reason to perform a qualitative risk analysis?

- A. To gain a low-cost understanding of business unit dependencies and interactions
- B. To aggregate risk in a meaningful way for a comprehensive view of enterprise risk
- C. To map the value of benefits that can be directly compared to the cost of a risk response

Answer: A

Explanation:

Qualitative risk analysis uses descriptive ratings (e.g., high/medium/low) rather than precise numerical values, making it faster and less resource-intensive than quantitative methods. Its primary advantage is providing a relatively low-cost, accessible understanding of risks and relationships, such as business unit dependencies and interactions.

QUESTION 12

Which of the following is used to estimate the frequency and magnitude of a given risk scenario?

- A. Risk analysis
- B. Risk register
- C. Risk governance

Answer: A

Explanation:

Risk analysis is the process used to estimate the frequency (likelihood of occurrence) and magnitude (impact) of a given risk scenario. By evaluating these two dimensions, risk analysis determines the overall level of risk, which then supports prioritization and response decisions.

QUESTION 13

Which of the following risk analysis methods gathers different types of potential risk ideas to be validated and ranked by an individual or small groups during interviews?

- A. Brainstorming model
- B. Delphi technique
- C. Monte Cado analysis

Answer: B

Explanation:

The Delphi technique gathers potential risk ideas and input from experts, which are then validated and ranked through structured rounds of interviews or questionnaires with individuals or small groups. Its iterative, structured approach to collecting, refining, and ranking expert input matches the description.

QUESTION 14

When should a consistent risk analysis method be used?

- A. When the goal is to produce results that can be compared over time
- B. When the goal is to aggregate risk at the enterprise level
- C. When the goal is to prioritize risk response plans

Answer: A

Explanation:

A consistent risk analysis method should be used when you need comparable results - and comparability over time is the core benefit. Using the same approach, scales, and criteria each time ensures that results from different assessments can be meaningfully compared, allowing the organization to track risk trends and determine whether risk is increasing or decreasing.

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