

AFA M_o_R® Style Exam Answers

Correct answers are marked in red.

Overviews

- 1) What is the definition of a risk?
 - a) Anything going wrong in a project
 - b) An uncertain event which should it occur will have an effect on the achievement of objectives**
 - c) Anything happening in the future
 - d) Anything bad

- 2) Where should risk management be carried out?
 - a) In specialist areas such as health and safety or information security, but not in general management because general managers are unlikely to be risk management experts
 - b) In projects
 - c) In the core operations of an organisation
 - d) Throughout the organisation but particularly where critical decisions are being made**

Principles

- 3) Which of the following are risk management principles?
 - a) Stakeholder involvement, early warning indicators and supportive culture**
 - b) Realisation, enhancement and exploitation
 - c) Assess, plan and implement
 - d) Strategic, programme and operational

- 4) Which of the following statements are false?
 - a) The context is the primary source of risk
 - b) Organisations should have the capacity and ability to respond quickly to risk
 - c) As the external context can be influenced but not controlled risk management should focus on internal factors**
 - d) The context will influence the organisations risk appetite

Management of Risk Approach

- 5) Which documents might be included within the management of Risk Approach?
- a) Risk Management Policy, Communications Plan, Risk Register
 - b) Risk Management Policy, Risk Management Strategy, Risk Register**
 - c) Risk Progress Report, Risk Management Strategy, Risk Register
 - d) Risk Management Policy, Risk Management Strategy, Risk Response Plan
- 6) Which document communicates how risk management will be implemented throughout the organisation?
- a) Risk Management Policy**
 - b) Risk Management Strategy
 - c) Risk Response Plan
 - d) Communications Plan

Management of Risk Process

- 7) Which of the following is not a common barrier to the implementation of risk management?
- a) Lack of an organisational culture that appreciates the benefits of risk management
 - b) Immature risk management practices
 - c) Lack of clear guidance for managers and staff
 - d) A lack of risks, given the benign organisational context**
- 8) When planning responses to threats which of the following types of response are invalid?
- a) Reduction
 - b) Removal
 - c) Denial**
 - d) Share

Embedding and Reviewing Management of Risk

- 9) Which of the following is not a high-level success factor?
- a) Visible sponsorship, endorsement and support from senior management
 - b) Filtering of risks as they are escalated to ensure there are few corporate risks**
 - c) Inclusion of risk management and its application within the induction programme
 - d) Benchmarking of risk management awareness
- 10) Which of the following is not a technique for building and developing awareness of risk management?
- a) Risk management champions
 - b) The inclusion of risk responsibilities in job descriptions
 - c) Dedicated risk managers who do all the risk management for the organisation**

- d) The use of marketing products/ tools to promote risk management

The Strategic Perspective

- 11) Which of the following is not a typical area of uncertainty within the strategic perspective
 - a) Additional or fewer participants in the organisation's operating spec
 - b) Stakeholder perceptions of key policies
 - c) Opportunities to be employed by a competitor**
 - d) The emergence of new technologies that change the business model

- 12) Which of the following are unlikely to be strategic stakeholders
 - a) Competitors**
 - b) Key customers or customer groups
 - c) Political, legal or regulatory bodies
 - d) Employees

The Programme Perspective

- 13) Who is responsible for monitoring the business-as-usual environment and inheriting risks
 - a) Programme Manager
 - b) Programme Director
 - c) Business Change Manager**
 - d) Business Managers

- 14) Which of the following is the least relevant early warning indicator of programme risk?
 - a) Achievement of key programme milestones
 - b) Establishment of new capabilities on time and on budget
 - c) Delivery of planned benefits on time and on budget
 - d) Completion of projects on time and on budget**

The Project Perspective

- 15) When are project opportunities and threats not generally identified?
 - a) As part of project closure**
 - b) During project initiation
 - c) By other projects
 - d) By the project's customer and suppliers

- 16) Which of the following is not a typical area of uncertainty within the project perspective
 - a) Availability of skills and key resources
 - b) Take up of deliverables by the business**
 - c) The impact of organisational security and safety

- d) Scheduling of deliverables

The Operational Perspective

- 17) Which of the following is least likely to be an operational objective
- a) Reputation
 - b) Quality
 - c) Internal control
 - d) Market share**
- 18) Which of the following would not be done in the Operational Risk Management Plan?
- a) Define the risk owner for individual services encompassed by this plan
 - b) Identify the types of service risk to be managed
 - c) Ensure that the culture/infrastructure to identify, assess and control risk are put in place**
 - d) Ensure that operational contingencies are covered as part of the support to overall risk management

Techniques

- 19) Which of the following is not a technique that might be used during the identification of risk?
- a) Risk identification workshop
 - b) Probability impact grid**
 - c) Cause and effect diagrams
 - d) Delphi technique
- 20) Which technique combines the ideas of probability with those of matrix algebra
- a) Markov chain**
 - b) Utility theory
 - c) Sensitivity analysis
 - d) Latin hypercube

Healthchecks & Maturity

- 21) Which of the following is not a typical question in a healthcheck?
- a) In the external analysis have key organisations been explicitly identified and considered
 - b) Are identified risk formally made available to the objective setting process
 - c) Does the audit trail of risks ensure that on one individual is responsible for owning the risk**
 - d) Are risks being allocate to the appropriate (senior or junior) level
- 22) Which of the following is not a risk maturity level?
- a) Initial
 - b) Immature**

- c) Repeatable
- d) Defined

Risk Specialisms

- 23) The process by which an organisation manager the wider impact of an incident is?
- a) Incident Management**
 - b) Business Continuity Management
 - c) Stakeholder Management
 - d) Risk Impact Management
- 24) Which of the following is not a criterion for achieving independence of risk taking functions?
- a) Risk managers have reporting lines that are independent from those of risk taking functions
 - b) Except at the highest levels, risk takers have no input on performance reviews
 - c) Risk managers are not employed to take risks on the firms behalf
 - d) Risk healthchecks are only undertaken by external auditors**

Selecting Risk Management Software Tools

- 25) Which of the following is least likely to be a criterion for selection a software tool
- a) Functionality
 - b) Product Market Share**
 - c) Integration
 - d) Product Credibility

Congratulations, if you scored;

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Well done, you should be able to complete a Foundation exam without any more training. Contact the office about options for the exam and further training, including the [M_o_R[®] Foundation to Practitioner Conversion course](#).

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