

Risk analysis and management - MCQs

1. Every risk has 100% likelihood. True or false.

- a) True
- b) False

ANSWER: b) False

Comment: Risk is a possibility, not a certainty. It may or may not occur

2. Risk management is responsibility of the

- a) Customer
- b) Investor
- c) Developer
- d) Project team
- e) Production team

ANSWER: d) Project team

Comment: Risk management is responsibility of a whole project team. They should identify the risks as early as possible and come up with the ways to deal with them.

3. Risk is expressed in terms of probability and impact.

- a) True
- b) False

ANSWER: a) True

Comment: A factor that could result in future negative consequences; usually expressed in terms of impact and likelihood.

4. RE represents what

- a) Risk expense
- b) Related expense
- c) Risk exposure
- d) Risk evaluation

ANSWER: c) Risk exposure

Comment: Risk Exposure=probability* impact.

In an organization risk exposure is statistically measurable value where impact and probability is assigned on scale of 1-5 or 1-10. Risk Exposure is also called as a Risk Priority Number(RPN).

5. As a tester which of the following will come under product risk if you are testing an e-commerce website?

- a) Shortage of testers
- b) Many changes in SRS that caused changes in test cases
- c) Delay in fixing defects by development team
- d) Failure to transfer a user to secure gateway while paying
- e) All of the above

ANSWER: d) Failure to transfer a user to secure gateway while paying

Comment: A risk directly related to the test objects are product risks.

6. Which of the following technique will ensure that impact of risk will be less?

- a) Risk avoidance technique
- b) Risk Mitigation technique
- c) Risk contingency technique
- d) All of the above

ANSWER: c) Risk contingency technique

Comment: Mitigation and avoidance is same that is reducing likelihood.

7. What is associated with product risk?

- a) Control of test item
- b) Negative consequences
- c) non-availability of test environment
- d) Test object

ANSWER: d) Test object

Comment: A risk directly related to the test objects are product risks.

8. Risk management is important part of a project management. True or false.

- a) True
- b) False

ANSWER: a) True

9. After deployment of a system, a software is incorrectly performing one of its major functionality. Who is going to determine how badly it will hamper the organization?

- a) QA personnel
- b) Developer
- c) Technical people
- d) Business analyst

ANSWER: d) Business analyst

Comment: Business people will determine the impact while technical people will determine probability of risk occurrence while assessing the risk

10. Which is/are ways to deal with risk?

- a) Mitigate
- b) Contingency
- c) Transfer
- d) Ignore
- e) All of the above

ANSWER: e) All of the above

Comment: Mitigate: avoid likelihood

Contingency: Reduce impact

Transfer: Outsource expertise

Ignore: Done if likelihood and impact are low

11. What is risk?

- a) Negative consequence that could occur
- b) Negative consequence that will occur
- c) Negative consequence that must occur
- d) Negative consequence that shall occur

ANSWER: a) Negative consequence that could occur

12. What all has to be identified as per risk identification?

- a) Threats
- b) Vulnerabilities
- c) Consequences
- d) All of the mentioned

ANSWER: d) All of the mentioned

Explanation: Risk identification states what could cause a potential loss.

13. Which one is not a risk management activity?

- a) Risk assessment
- b) Risk generation
- c) Risk control
- d) None of the mentioned

ANSWER: b) Risk generation

Explanation: Risk management activities would never want a new risk to be generated.

14. What is the product of the probability of incurring a loss due to the risk and the potential magnitude of that loss?

- a) Risk exposure
- b) Risk prioritization
- c) Risk analysis
- d) All of the mentioned

ANSWER: a) Risk exposure

Explanation: None.

15. What threatens the quality and timeliness of the software to be produced?

- a) Known risks
- b) Business risks
- c) Project risks
- d) Technical risks

ANSWER: d) Technical risks

Explanation: Technical risks identify potential design, implementation, interface, verification, and maintenance problems.

16. What threatens the viability of the software to be built?

- a) Known risks
- b) Business risks
- c) Project risks
- d) Technical risks

ANSWER: b) Business risks

Explanation: Business risks often jeopardize the project or the product.

17. Which of the following is not a business risk?

- a) building an excellent product or system that no one really wants
- b) losing the support of senior management due to a change in focus or change in people
- c) lack of documented requirements or software scope
- d) losing budgetary or personnel commitment

ANSWER: c) lack of documented requirements or software scope

Explanation: This is not considered as a business risk.

18. Which of the following is a systematic attempt to specify threats to the project plan?

- a) Risk identification
- b) Performance risk
- c) Support risk
- d) Risk projection

ANSWER: d) Risk projection

Explanation: By identifying known and predictable risks, the project manager takes a first step toward avoiding them when possible and controlling them when necessary.

19. Which risks are associated with the overall size of the software to be built or modified?

- a) Business impact risks
- b) Process definition risks
- c) Product size risks
- d) Development environment risks

ANSWER: c) Product size risks

Explanation: None.

20. Which risks are associated with constraints imposed by management or the marketplace?

- a) Business impact risks
- b) Process definition risks
- c) Product size risks
- d) Development environment risks

ANSWER: a) Business impact risks

Explanation: None.

21. Which of the following term is best defined by the statement: "the degree of uncertainty that the product will meet its requirements and be fit for its intended use."?

- a) Performance risk
- b) Cost risk
- c) Support risk
- d) Schedule risk

ANSWER: a) Performance risk

Explanation: None.

22. Risk management is one of the most important jobs for a

- a) Client
- b) Investor
- c) Production team
- d) Project manager

ANSWER: d) Project manager

Explanation: Risk management involves anticipating risks that might affect the project schedule or the quality of the software being developed, and then taking action to avoid these risks.

23. Which of the following risk is the failure of a purchased component to perform as expected?

- a) Product risk
- b) Project risk
- c) Business risk
- d) Programming risk

ANSWER: a) Product risk

Explanation: Risks that affect the quality or performance of the software being developed.

24. Which of the following term is best defined by the statement: “There will be a change of organizational management with different priorities.”?

- a) Staff turnover
- b) Technology change
- c) Management change
- d) Product competition

ANSWER: c) Management change

Explanation: None.

25. Which of the following term is best defined by the statement: “The underlying technology on which the system is built is superseded by new technology.”?

- a) Technology change
- b) Product competition
- c) Requirements change
- d) None of the mentioned

ANSWER: a) Technology change

Explanation: Technology changes are common in the competitive environment of software engineering.

26. What assess the risk and your plans for risk mitigation and revise these when you learn more about the risk?

- a) Risk monitoring
- b) Risk planning
- c) Risk analysis
- d) Risk identification

ANSWER: a) Risk monitoring

Explanation: None.

27. Which of the following risks are derived from the organizational environment where the software is being developed?

- a) People risks
- b) Technology risks
- c) Estimation risks
- d) Organizational risks

ANSWER: d) Organizational risks

Explanation: These risks are at management level.

28. Which of the following risks are derived from the software or hardware technologies that are used to develop the system?

- a) Managerial risks
- b) Technology risks
- c) Estimation risks
- d) Organizational risks

Answer: b) Technology risks

Explanation: The risks associated with technology might affect the product development.

29. Which of the following term is best defined by the statement: “Derive traceability information to maximize information hiding in the design.”?

- a) Underestimated development time
- b) Organizational restructuring
- c) Requirements changes
- d) None of the mentioned

ANSWER: c) Requirements changes

Explanation: Tracing the requirements can help us understand the risk.

30. Which of the following strategies means that the impact of the risk will be reduced?

- a) Avoidance strategies
- b) Minimization strategies

- c) Contingency plans
- d) All of the mentioned

ANSWER: b) Minimization strategies

Explanation: None.

31. Risk management is now recognized as one of the most important project management tasks.

- a) True
- b) False

ANSWER: a) True

Explanation: None.

32. Which of the following statements best describes risk?

- a) Uncertainty when looking to the future
- b) Clarity in future decisions
- c) Uncertainty when looking at the past
- d) Certainty of not suffering harm or loss

ANSWER: a) Uncertainty when looking to the future

33. Which of these is not a source of risk?

- a) Political risk
- b) Technology risk
- c) Environmental risk
- d) Functional risk

ANSWER: d) Functional risk

34. Which of the following is an act of god?

- a) Sunshine
- b) Hurricane
- c) McDonalds
- d) A baby being born

ANSWER: b) Hurricane

35. Does the project manager look into risks:

- a) On the project
- b) In the project
- c) On top of the project
- d) Beside the project

ANSWER: b) In the project

36. Why Risk Management is important? Which answer is incorrect?

- a) Minimizes threats, maximizes opportunities and optimizes the achievement of project objectives
- b) Reduce the number of threats that materialize into problems and minimize the effects of those that do occur
- c) Failing to manage risk will result in more problems, higher benefits and a higher chance of project success.
- d) Results in more opportunities being captured proactively and turned into positive benefits for the project.

ANSWER: c) Failing to manage risk will result in more problems, higher benefits and a higher chance of project success.

37. When determining the risk of an event or activity it can be classed as major, moderate or minor- which of the following statements correctly describes the classification?

- a) Major- cause total failure of seven or more parts of the project?
- b) Moderate- will hold up or increase costs in one or more areas?
- c) Minor- will cause inconvenience and completely set the project back financially or in time?

ANSWER: b) Moderate- will hold up or increase costs in one or more areas?

38. What are the four possible options when responding to risk?

- a) Avoid, Transfer, Accept, Mitigate
- b) Accept, Mitigate, Evade, Transfer
- c) Evade, Receive, Transfer, Avoid
- d) Mitigate, Avoid, Evade, Transfer

ANSWER: a) Avoid, Transfer, Accept, Mitigate

39. Which factor is not normally considered in risk control?

- a) Cost
- b) Quality

c) Effort

ANSWER: b) Quality

40. A risk referent level is a risk component value (performance, cost, support, schedule) or combination of values that cause a project to be terminated.

a) True

b) False

ANSWER: a) True

41. An effective risk management plan will need to address which of the following issues?

a) Risk avoidance

b) Risk monitoring

c) Contingency planning

d) All of the above

ANSWER: d) All of the above

42. Proactive risk management is sometimes described as fire fighting

a) True

b) False

ANSWER: b) False

43. Software risk always involves two characteristics

a) fire fighting and crisis management

b) known and unknown risks

c) uncertainty and loss

d) staffing and budget

ANSWER: c) uncertainty and loss

44. Three categories of risks are

a) business risks, personnel risks, budget risks

b) project risks, technical risks, business risks

c) planning risks, technical risks, personnel risks

d) management risks, technical risks, design risks

ANSWER: b) project risks, technical risks, business risks

45. Generic risks require far more attention than product-specific risks.

- a) True
- b) False

ANSWER: b) False

46. A risk item checklist would contain known and predictable risks from which of these categories?

- a) product size
- b) development environment
- c) staff sized
- d) process definition
- e) all of the above

ANSWER: e) all of the above

47. Questions that should be asked to assess the overall project risk include:

- a) Have top managers formally committed to support the project?
- b) Are end-users committed to the project and proposed system being built?
- c) Are requirement fully understood by development team and customers?
- d) Does the proposed budget have time allocated for marketing?
- e) a, b, c

ANSWER: e) a, b, c

48. Software risk impact assessment should focus on consequences affecting

- a) planning, resources, cost, schedule
- b) marketability, cost, personnel
- c) business, technology, process
- d) performance, support, cost, schedule

ANSWER: d) performance, support, cost, schedule

49. Risk projection attempts to rate each risk in two ways

- a) likelihood and cost
- b) likelihood and impact
- c) likelihood and consequences
- d) likelihood and exposure

ANSWER: c) likelihood and consequences

50. Risk tables are sorted by

- a) probability and cost
- b) probability and impact
- c) probability and consequences
- d) probability and exposure

ANSWER: b) probability and impact

51. Individual team members can make their own estimate for a risk probability and then develop a consensus value.

- a) True
- b) False

ANSWER: a) True

52. Which factors affect the probable consequences likely if a risk does occur?

- a) risk cost
- b) risk timing
- c) risk scope
- d) risk resources
- e) b and c

ANSWER: e) b and c

53. The reason for refining risks is to break them into smaller units having different consequences.

- a) True
- b) False

ANSWER: b) False

54. Effective risk management plan needs to address which of these issues?

- a) risk avoidance
- b) risk monitoring
- c) contingency planning
- d) all of the above

ANSWER: d) all of the above

55. Risk monitoring involves watching the risk indicators defined for the project and not determining the effectiveness of the risk mitigation steps themselves.

- a) True
- b) False

ANSWER: b) False

56. Hazard analysis focuses on the identification and assessment of potential hazards that can cause

- a) project termination
- b) schedule slippage
- c) cost overruns
- d) an entire system to fail

ANSWER: d) an entire system to fail

57. Risk information sheets (RIS) are never an acceptable substitute for a full risk mitigation, monitoring, and management (RMMM) plan.

- a) True
- b) False

ANSWER: b) False