1. Risks can have both negative and positive effects on meeting project objectives.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: Project risk management involves understanding potential problems that might occur on the project and how they might impede project success. However, there are also positive risks or opportunities, which can result in good outcomes for a project.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.468

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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2. One possible response to managing negative risk it to accept the potential effects from the risk.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: There are a number of possible actions that project managers can take to avoid, lessen, change or accept the potential effects of risk on their projects.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.468

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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3. A risk-seeking person prefers outcomes that are more uncertain and is often willing to pay a penalty to take risks.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: A risk-seeking person prefers outcomes that are more uncertain and is often willing to pay a penalty to take risks.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.469

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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4. Unknown risks can be managed proactively.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: Known risks can be managed proactively. However, unknown risks, or risks that have not been identified and analyzed, cannot be managed.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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5. The last step in project risk management is deciding how to address the knowledge area for a particular project by performing risk management planning.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: The first step in project risk management is deciding how to address the knowledge area for a particular project by performing risk management planning.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.472

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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19. Risk utility rises at a decreasing rate for a \_\_\_\_\_ person.

a. risk-seeking b. risk-averse

c. risk-neutral d. risk-indifferent

ANSWER: b

RATIONALE: Feedback: Utility rises at a decreasing rate for a risk-averse person. In other words, when more payoff or money is at stake, a person or organization that is risk-averse gains less satisfaction from the risk, or has lower tolerance for the risk.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.469

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Comprehension

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20. Those who are \_\_\_\_\_ have a higher tolerance for risk, and their satisfaction increases when more payoff is at stake.

a. risk-seeking b. risk-averse

c. risk-neutral d. risk-indifferent

ANSWER: a

RATIONALE: Feedback: Those who are risk-seeking have a higher tolerance for risk, and their satisfaction increases when more payoff is at stake. A risk-seeking person prefers outcomes that are more uncertain and is often willing to pay a penalty to take risks.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.469

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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21. Which type of person achieves a balance between risk and payoff?

a. risk-seeking b. risk-averse

c. risk-fearing d. risk-neutral

ANSWER: d

RATIONALE: Feedback: A risk-neutral person achieves a balance between risk and payoff. This person would evaluate decisions using a number of factorsâ€”risk is just one of them.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.469

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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22. What process involves deciding how to approach and plan the risk management activities for the project?

a. identifying risks b. planning risk management

c. performing qualitative risk analysis d. performing quantitative risk analysis

ANSWER: b

RATIONALE: Feedback: Planning risk management involves deciding how to approach and plan risk management activities for the project.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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23. The main outputs of which process include a risk register, risk report, and project documents updates?

a. identifying risks b. planning risk management

c. planning risk response d. monitoring risk

ANSWER: a

RATIONALE: Feedback: Identifying risks involves determining which risks are likely to affect a project and documenting the characteristics of each. The main outputs of this process are a risk register, risk report, and project documents updates.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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24. Which process involves determining what risks are likely to affect a project and documenting the characteristics of each?

a. identifying risks b. planning risk management

c. performing qualitative risk analysis d. performing quantitative risk analysis

ANSWER: a

RATIONALE: Feedback: Identifying risks involves determining what risks are likely to affect a project and documenting the characteristics of each. The main output of this process is the start of a risk register.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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25. Which process involves prioritizing risks based on their probability and impact of occurrence?

a. performing qualitative risk analysis b. identifying risks

c. planning risk responses d. performing quantitative risk analysis

ANSWER: a

RATIONALE: Feedback: Performing qualitative risk analysis involves prioritizing risks based on their probability and impact of occurrence. After identifying risks, project teams can use various tools and techniques to rank risks and update information in the risk register.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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26. Which process involves numerically estimating the effects of risks on project objectives?

a. performing qualitative risk analysis b. planning risk responses

c. identifying risks d. performing quantitative risk analysis

ANSWER: d

RATIONALE: Feedback: Performing quantitative risk analysis involves numerically estimating the effects of risks on project objectives.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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27. Which process involves taking steps to enhance opportunities and reduce threats to meeting project objectives?

a. performing quantitative risk analysis b. planning risk responses

c. controlling risk d. performing qualitative risk analysis

ANSWER: b

RATIONALE: Feedback: Planning risk responses involves taking steps to enhance opportunities and reduce threats to meeting project objectives.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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28. Which process involves monitoring identified and residual risks, identifying new risks, carrying out risk response plans, and evaluating the effectiveness of risk strategies throughout the life of the project?

a. performing quantitative risk analysis b. planning risk responses

c. monitoring risk d. performing qualitative risk analysis

ANSWER: c

RATIONALE: Feedback: Monitoring risk involves monitoring identified and residual risks, identifying new risks, carrying out risk response plans, and evaluating the effectiveness of risk strategies throughout the life of the project.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.471

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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35. Identifying risks is a subprocess of the \_\_\_\_\_ process of project risk management.

a. planning b. executing

c. monitoring and controlling d. closing

ANSWER: a

RATIONALE: Feedback: Identifying risks is a subprocess of the planning process of project risk management.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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36. Which process involves prioritizing risks based on their probability of occurrence and impact?

a. performing qualitative risk analysis b. planning risk management

c. monitoring and controlling risks d. project closing

ANSWER: a

RATIONALE: Feedback: Performing qualitative risk analysis involves prioritizing risks based on their probability of occurrence and impact.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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50. Potential problems that might occur on the project and how they might impede project success are \_\_\_\_\_ risks.

ANSWER: negative

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.468

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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51. A project \_\_\_\_\_ is an uncertainty that can have a negative or positive effect on meeting project objectives.

ANSWER: risk

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.468

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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52. \_\_\_\_\_ is the amount of satisfaction or pleasure received from a potential payoff.

ANSWER: Risk utility

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.469

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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53. Risk utility rises at a decreasing rate for a(n) \_\_\_\_\_ person.

ANSWER: risk-averse

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.469

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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54. The term \_\_\_\_\_ is used to describe risks that the project team has identified and analyzed.

ANSWER: known risks

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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55. One main output of the \_\_\_\_\_ process is a risk register.

ANSWER: identifying risks

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.470

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Knowledge

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75. List and briefly describe the major processes involved in risk management.

ANSWER: Planning risk management involves deciding how to approach and plan risk management activities for the project. The main output of this process is a risk management plan.

Identifying risks involves determining which risks are likely to affect a project and documenting the characteristics of each. The main outputs of this process are a risk register, risk report, and project documents updates.

Performing qualitative risk analysis involves prioritizing risks based on their probability of occurrence and impact. After identifying risks, project teams can use various tools and techniques to rank risks and update information in the risk register. The main outputs are project documents updates.

Performing quantitative risk analysis involves numerically estimating the effects of risks on project objectives. The main outputs of this process are project documents updates.

Planning risk responses involves taking steps to enhance opportunities and reduce threats to meeting project objectives. Using outputs from the preceding risk management processes, project teams can develop risk response strategies that often result in change requests, updates to the project management plan and project documents.

Implementing risk responses, just as it sounds, involves implementing the risk response plans. Outputs include change requests and project documents updates.

Monitoring risk involves monitoring identified and residual risks, identifying new risks, carrying out risk response plans, and evaluating the effectiveness of risk strategies throughout the life of the project. The main outputs of this process include work performance information, change requests, and updates to the project management plan, project documents, and organizational process assets.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.470-471

QUESTION TYPE: Essay

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.77 - LO: 11-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: The Importance Of Project Risk Management

KEYWORDS: Bloom's: Comprehension

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29. \_\_\_\_\_ are predefined actions that the project team will take if an identified risk event occurs.

a. Secondary risks b. Workarounds

c. Contingency plans d. Management reserves

ANSWER: c

RATIONALE: Feedback: Contingency plans are predefined actions that the project team will take if an identified risk event occurs.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.472

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.84 - LO: 11-2

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Management

KEYWORDS: Bloom's: Knowledge

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56. A(n) \_\_\_\_\_ documents the procedures for managing risk throughout the project.

ANSWER: risk management plan

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.472

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.84 - LO: 11-2

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Management

KEYWORDS: Bloom's: Knowledge

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58. \_\_\_\_\_ is the process of understanding what potential events might hurt or enhance a particular project.

ANSWER: Identifying risks

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.477

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Management

KEYWORDS: Bloom's: Knowledge

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69. \_\_\_\_\_ are funds included in the cost baseline that can be used to mitigate cost or schedule overruns if known risks occur.

ANSWER: Contingency reserves

Contingency allowances

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.472

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.84 - LO: 11-2

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Management

KEYWORDS: Bloom's: Knowledge

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6. Contingency plans are predefined actions that the project team will take if an identified risk event occurs.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: Contingency plans are predefined actions that the project team will take if an identified risk event occurs.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.472

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.78 - LO: 11-3

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Common Sources Of Risk On IT Projects

KEYWORDS: Bloom's: Knowledge

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30. Unenforceable conditions or contract clauses and adversarial relations are risk conditions associated with the project \_\_\_\_\_ management knowledge area.

a. integration b. quality

c. procurement d. human resources

ANSWER: c

RATIONALE: Feedback: Unenforceable conditions or contract clauses, and adversarial relations are risk conditions associated with the project procurement management knowledge area.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.476

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.78 - LO: 11-3

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Common Sources Of Risk On IT Projects

KEYWORDS: Bloom's: Knowledge

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57. A(n) \_\_\_\_\_ is a hierarchy of potential risk categories for a project.

ANSWER: risk breakdown structure

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.474-475

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.78 - LO: 11-3

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Common Sources Of Risk On IT Projects

KEYWORDS: Bloom's: Knowledge

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7. Brainstorming is a systematic, interactive forecasting procedure based on independent and anonymous input regarding future events.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: Brainstorming is a technique by which a group attempts to generate ideas or find a solution for a specific problem by amassing ideas spontaneously and without judgment. The Delphi technique is a systematic, interactive forecasting procedure based on independent and anonymous input regarding future events.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.477

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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8. The psychology literature shows that individuals, working alone, produce fewer ideas than the same individuals produce through brainstorming in small, face-to-face groups.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: Although businesses use brainstorming widely to generate new ideas, the psychology literature shows that individual people working alone produce a greater number of ideas than they produce through brainstorming in small, face-to-face groups.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.477

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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9. The Delphi technique is a systematic, interactive forecasting procedure based on independent and anonymous input regarding future events.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: The Delphi technique is an approach to gathering information that helps prevent some of the negative group effects found in brainstorming. The basic concept of the Delphi technique is to derive a consensus among a panel of experts who make predictions about future developments.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.478

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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10. Risk events refer to specific, certain events that may occur to the detriment or enhancement of the project.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: Risk events refer to specific, uncertain events that may occur to the detriment or enhancement of the project.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.478-479

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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31. Which is a fact-finding technique that can be used for collecting information in face-to-face, phone, e-mail, or instant-messaging discussions?

a. brainstorming b. Monte Carlo analysis

c. the Delphi technique d. interviewing

ANSWER: d

RATIONALE: Feedback: Interviewing is a fact-finding technique for collecting information in face-to-face, phone, e-mail, or instant-messaging discussions. Interviewing people with similar project experience is an important tool for identifying potential risks.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.478

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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32. Which document contains results of various risk management processes; it is often displayed in a table or spreadsheet format?

a. risk register b. influence diagram

c. process flow chart d. work breakdown structure

ANSWER: a

RATIONALE: Feedback: A risk register is a document that contains results of various risk management processes; it is often displayed in a table or spreadsheet format.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.478

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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59. \_\_\_\_\_ is a technique by which a group attempts to generate ideas or find a solution for a specific problem by amassing ideas spontaneously and without judgment.

ANSWER: Brainstorming

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.477

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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60. The basic concept of the \_\_\_\_\_ technique is to derive a consensus among a panel of experts who make predictions about future developments.

ANSWER: Delphi

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.477-478

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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61. \_\_\_\_\_ is a fact-finding technique for collecting information in face-to-face, phone, e-mail, or virtual discussions.

ANSWER: Interviewing

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.478

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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62. A(n) \_\_\_\_\_ is a document that contains results of various risk management processes.

ANSWER: risk register

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.478

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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63. \_\_\_\_\_ are indicators or symptoms of actual risk events.

ANSWER: Triggers

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.479

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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64. The \_\_\_\_\_ is the person who will own or take responsibility for the risk.

ANSWER: risk owner

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.480

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Knowledge

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76. List and briefly describe four methods for identifying risks.

ANSWER: Brainstorming: technique by which a group attempts to generate ideas or find a solution for a specific problem by amassing ideas spontaneously and without judgment. This approach can help the group create a comprehensive list of risks to address later in the qualitative and quantitative risk analysis processes. An experienced facilitator should run the brainstorming session and introduce new categories of potential risks to keep the ideas flowing. After the ideas are collected, the facilitator can group and categorize the ideas to make them more manageable.

Delphi technique: approach to gathering information that helps prevent some of the negative group affects found in brainstorming is the Delphi Technique. The basic concept of the Delphi Technique is to derive a consensus among a panel of experts who make predictions about future developments. The Delphi Technique uses repeated rounds of questioning and written responses, including feedback to earlier-round responses, to take advantage of group input, while avoiding the biasing effects possible in oral panel deliberations. To use the Delphi Technique, you must select a panel of experts for the particular area in question.

Interviewing: fact-finding technique for collecting information in face-to-face, phone, e-mail, or instant-messaging discussions. Interviewing people with similar project experience is an important tool for identifying potential risks.

Root cause analysis: used to identify the root cause of a problem or opportunity; often results in identifying even more potential risks for a project.

SWOT analysis: analysis of strengths, weaknesses, opportunities, and threats, which is often used in strategic planning; used during risk identification by having project teams focus on the broad perspectives of potential risks for particular projects. Applying SWOT to specific potential projects can help identify the broad risks and opportunities that apply in that scenario.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.477-478

QUESTION TYPE: Essay

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.79 - LO: 11-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: Identifying Risks

KEYWORDS: Bloom's: Comprehension

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11. A probability/impact matrix or chart lists the relative probability of a risk occurring on one side of a matrix or axis on a chart and the relative impact of the risk occurring on the other.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: A project manager can chart the probability and impact of risks on a probability/impact matrix or chart, which lists the relative probability of a risk occurring and the relative impact of the risk occurring.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.481

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.80 - LO: 11-5

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Qualitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

DATE CREATED: 4/27/2018 3:52 PM

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12. Top Ten Risk Item Tracking is a quantitative risk analysis tool.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: Top Ten Risk Item Tracking is a qualitative risk analysis tool.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.483

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.80 - LO: 11-5

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Qualitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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13. The main output of qualitative risk analysis is updating the risk register.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: The main output of qualitative risk analysis is updating the risk registers.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.484

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.80 - LO: 11-5

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Qualitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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34. \_\_\_\_\_ is a qualitative risk analysis tool that maintains an awareness of risks throughout the life of a project in addition to identifying risks.

a. A SharePoint portal b. A probability/impact matrix or chart

c. An expectations management matrix d. Top Ten Risk Item Tracking

ANSWER: d

RATIONALE: Feedback: Top Ten Risk Item Tracking is a qualitative risk analysis tool. In addition to identifying risks, it maintains an awareness of risks throughout the life of a project by helping to monitor risks.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.483

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.80 - LO: 11-5

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Qualitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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65. \_\_\_\_\_ are numbers that represent the overall risk of specific events, based on their probability of occurring and the consequences to the project if they do occur.

ANSWER: Risk factors

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.482

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.80 - LO: 11-5

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Qualitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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66. The main output of qualitative risk analysis is updating the \_\_\_\_\_.

.

ANSWER: risk register

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.484

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.80 - LO: 11-5

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Qualitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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67. A(n) \_\_\_\_\_ is a list of risks that are low priority, but are still identified as potential risks.

ANSWER: watch list

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.484

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.80 - LO: 11-5

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Qualitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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77. Explain decision trees and expected monetary value.

ANSWER: A decision tree is a diagramming analysis technique used to help select the best course of action in situations in which future outcomes are uncertain. A common application of decision tree analysis involves calculating expected monetary value. Expected monetary value (EMV) is the product of a risk event probability and the risk eventâ€™s monetary value. To create a decision tree, and to calculate expected monetary value specifically, you must estimate the probabilities, or chances, of certain events occurring. Probabilities are normally determined based on expert judgment.

To calculate the expected monetary value (EMV) for each project, multiply the probability by the outcome value for each potential outcome for each project and sum the results. Because the EMV provides an estimate for the total dollar value of a decision, you want to have a positive number; the higher the EMV, the better. Using EMV helps account for all possible outcomes and their probabilities of occurrence, thereby reducing the tendency to pursue overly aggressive or conservative risk strategies.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.485-487

QUESTION TYPE: Essay

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: Performing Qualitative Risk Analysis

KEYWORDS: Bloom's: Comprehension

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14. Large, complex projects involving leading-edge technologies often require extensive quantitative risk analysis.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: Large, complex projects involving leading-edge technologies often require extensive quantitative risk analysis.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.485

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Comprehension

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15. The lower the earned monetary value calculation for a project, the chances of project success is higher.

a. True

b. False

ANSWER: False

RATIONALE: Feedback: Expected monetary value (EMV) is the product of a risk event probability and the risk eventâ€™s monetary value. Because the EMV provides an estimate for the total dollar value of a decision, you want to have a positive number; the higher the EMV, the better.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.486

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Comprehension

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16. The Monte Carlo analysis can predict the probability of finishing by a certain date or the probability that the cost will be equal to or less than a certain value.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: Monte Carlo analysis simulates a modelâ€™s outcome many times to provide a statistical distribution of the calculated results. This analysis can predict the probability of finishing by a certain date or the probability that the cost will be equal to or less than a certain value.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.487

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Comprehension

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33. The \_\_\_\_\_ lists the relative probability of a risk occurring and the relative impact of the risk occurring.

a. Top Ten Risk Item Tracking chart b. requirements traceability matrix

c. probability/impact matrix d. expectations management matrix

ANSWER: c

RATIONALE: Feedback: A project manager can chart the probability and impact of risks on a probability/impact matrix or chart, which lists the relative probability of a risk occurring and the relative impact of the risk occurring.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.481

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.80 - LO: 11-5

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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37. Which diagramming technique is used to help select the best course of action in situations in which future outcomes are uncertain?

a. decision tree b. activity-on-arrow

c. workaround d. backward pass

ANSWER: a

RATIONALE: Feedback: A decision tree is a diagramming analysis technique used to help select the best course of action when future outcomes are uncertain. A common application of decision tree analysis involves calculating expected monetary value.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.485

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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38. Which analysis technique simulates a modelâ€™s outcome many times to provide a statistical distribution of the calculated results?

a. sensitivity b. systems

c. Monte Carlo d. NPV

ANSWER: c

RATIONALE: Feedback: Monte Carlo analysis simulates a modelâ€™s outcome many times to provide a statistical distribution of the calculated results.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.487

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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39. What is the first step in a Monte Carlo analysis?

a. Determine the probability distribution of each variable. b. For each variable, such as the time estimate for a task, select a random value based on the probability distribution for the occurrence of the variable.

c. Collect the most likely, optimistic, and pessimistic estimates for the variables in the model. d. Run a deterministic analysis or one pass through the model using the combination of values selected for each one of the variables.

ANSWER: c

RATIONALE: Feedback: The first step in Monte Carlo analysis if to collect the most likely, optimistic, and pessimistic estimates for the variables in the model.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.487

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Comprehension

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40. Which technique is used to show the effects of changing one or more variables on an outcome?

a. sensitivity analysis b. decision tree

c. Monte Carlo analysis d. systems analysis

ANSWER: a

RATIONALE: Feedback: A sensitivity analysis is a technique used to show the effects of changing one or more variables on an outcome.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.489

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Comprehension

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68. \_\_\_\_\_ is the product of a risk event probability and the risk eventâ€™s monetary value.

ANSWER: EMV

Expected monetary value

Expected monetary value (EMV)

EMV (Expected monetary value)

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.486

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Knowledge

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70. \_\_\_\_\_ helps professionals to see the effects of changing one or more variables on an outcome.

ANSWER: Sensitivity analysis

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.489

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's: Comprehension

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78. Explain the basic steps involved in performing a Monte Carlo analysis.

ANSWER: (1) Collect the most likely, optimistic, and pessimistic estimates for the variables in the model. For example, if you are trying to determine the likelihood of meeting project schedule goals, the project network diagram would be your model. You would collect the most likely, optimistic, and pessimistic time estimates for each task. Notice that this step is similar to collecting data for performing PERT estimates. However, instead of applying the same PERT weighted average formula, you perform the following steps in a Monte Carlo simulation.

(2) Determine the probability distribution of each variable. What is the likelihood of that variable falling between the optimistic and most likely estimates? For example, if an expert assigned to do a particular task provides a most likely estimate of ten weeks, an optimistic estimate of eight weeks, and a pessimistic estimate of fifteen weeks, you then ask what the probability is of completing that task between eight and ten weeks. The expert might respond that there is a 20 percent probability.

(3) For each variable, such as the time estimate for a task, select a random value based on the probability distribution for the occurrence of the variable. For example, using the above scenario, you would randomly pick a value between eight weeks and ten weeks 20 percent of the time and a value between ten weeks and fifteen weeks 80 percent of the time.

(4) Run a deterministic analysis or one pass through the model using the combination of values selected for each one of the variables. For example, the one task described above might have a value of 12 on the first run. All of the other tasks would have one random value assigned to them on that first run, also, based on their estimates and probability distributions.

(5) Repeat Steps 3 and 4 many times to obtain the probability distribution of the modelâ€™s results. The number of iterations depends on the number of variables and the degree of confidence required in the results, but it typically lies between 100 and 1,000. Using the project schedule as an example, the final simulation results will show you the probability of completing the entire project within a certain time period.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.487-488

QUESTION TYPE: Essay

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.81 - LO: 11-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: Performing Quantitative Risk Analysis

KEYWORDS: Bloom's:Comprehension

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41. Which action involves eliminating a specific threat, usually by eliminating its causes?

a. risk avoidance b. risk acceptance

c. risk transference d. risk mitigation

ANSWER: a

RATIONALE: Feedback: Risk avoidance involves eliminating a specific threat, usually by eliminating its causes.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.491

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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42. Which action involves reducing the impact of a risk event by reducing the probability of its occurrence?

a. risk avoidance b. risk acceptance

c. risk transference d. risk mitigation

ANSWER: d

RATIONALE: Feedback: Risk mitigation involves reducing the impact of a risk event by reducing the probability of its occurrence.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.491

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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43. Which action involves doing whatever you can to make sure the positive risk happens?

a. risk exploitation b. risk sharing

c. risk enhancement d. risk acceptance

ANSWER: a

RATIONALE: Feedback: Risk exploitation involves doing whatever you can to make sure the positive risk happens.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.491

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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44. Which action involves shifting the consequence of a risk and responsibility for its management to a third party?

a. risk avoidance b. risk acceptance

c. risk transference d. risk mitigation

ANSWER: c

RATIONALE: Feedback: Risk transference involves shifting the consequence of a risk and responsibility for its management to a third party.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.491

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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45. Which action involves allocating ownership of the risk to another party?

a. risk exploitation b. risk sharing

c. risk enhancement d. risk acceptance

ANSWER: b

RATIONALE: Feedback: Risk sharing involves allocating ownership of the risk to another party.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.492

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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46. Which action involves changing the size of the opportunity by identifying and maximizing key drivers of the positive risk?

a. risk exploitation b. risk sharing

c. risk enhancement d. risk acceptance

ANSWER: c

RATIONALE: Feedback: Risk enhancement involves changing the size of the opportunity by identifying and maximizing key drivers of the positive risk.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.492

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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47. Which action applies to positive risks when the project team cannot or chooses not to take any actions toward a risk?

a. risk enhancement b. risk acceptance

c. risk sharing d. risk exploitation

ANSWER: b

RATIONALE: Feedback: Risk acceptance applies to positive risks when the project team cannot or chooses not to take any actions toward a risk.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.492

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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48. Which risks are direct results of implementing risk responses?

a. architectural b. primary

c. residual d. secondary

ANSWER: d

RATIONALE: Feedback: Secondary risks are a direct result of implementing a risk response.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.493

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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71. \_\_\_\_\_ involves accepting the consequences should a risk occur.

ANSWER: Risk acceptance

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.491

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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72. Risk \_\_\_\_\_ refers to reducing the impact of a risk event by reducing the probability of its occurrence.

ANSWER: mitigation

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.491

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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73. \_\_\_\_\_ risks are risks that remain after all of the response strategies have been implemented.

ANSWER: Residual

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.493

QUESTION TYPE: Completion

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Knowledge

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79. What are the basic response strategies for negative risks? Describe each strategy.

ANSWER: Risk avoidance or eliminating a specific threat, usually by eliminating its causes. Of course, not all risks can be eliminated, but specific risk events can be. For example, a project team may decide to continue using a specific piece of hardware or software on a project because they know it works. Other products that could be used on the project may be available, but if the project team is unfamiliar with them, they could cause significant risk. Using familiar hardware or software eliminates this risk.

Risk acceptance or accepting the consequences should a risk occur. For example, a project team planning a big project review meeting could take an active approach to risk by having a contingency or backup plan and contingency reserves if they cannot get approval for a specific site for the meeting. On the other hand, they could take a passive approach and accept whatever facility their organization provides.

Risk transference or shifting the consequence of a risk and responsibility for its management to a third party. For example, risk transference is often used in dealing with financial risk exposure. A project team may purchase special insurance or warranty protection for specific hardware needed for a project. If the hardware fails, the insurer must replace it within an agreed-upon period of time.

Risk mitigation or reducing the impact of a risk event by reducing the probability of its occurrence. Suggestions for reducing common sources of risk on information technology projects were provided at the beginning of this chapter. Other examples of risk mitigation include using proven technology, having competent project personnel, using various analysis and validation techniques, and buying maintenance or service agreements from subcontractors.

Risk escalation or notifying a higher level authority. If the risk is outside of the scope of the project or the proposed response is outside of the project managerâ€™s authority, it would make sense to escalate the risk to a higher-level manager within the organization.

POINTS: 1

DIFFICULTY: Difficulty: Moderate

REFERENCES: p.491

QUESTION TYPE: Essay

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.85 - LO: 11-7

NATIONAL STANDARDS: United States - BUSPROG: Analytic

TOPICS: Planning Risk Responses

KEYWORDS: Bloom's: Comprehension

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18. The risk register can be created with a simple Microsoft Word or Excel file.

a. True

b. False

ANSWER: True

RATIONALE: Feedback: The risk register is often a simple Microsoft Word or Excel file, but it can also be part of a more sophisticated database.

POINTS: 1

DIFFICULTY: Difficulty: Easy

REFERENCES: p.494

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: INFO.SCHW.14.83 - LO: 11-9

NATIONAL STANDARDS: United States - BUSPROG: - Comprehension

TOPICS: Using Software To Assist In Project Risk Management

KEYWORDS: Bloom's: Knowledge

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Multiple Choice