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PMI PMI-RMP

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Topic Break Down

Topic	No. of Questions
Topic 1, Risk Strategy and Planning	118
Topic 2, Risk Identification	134
Topic 3, Risk Analysis	189
Topic 4, Risk Response	173
Topic 5, Risk Monitoring and Reporting	142
Topic 6, Mix Questions	21
Total	777

QUESTION NO: 1

When conducting a risk identification exercise, what two actions should the risk manager take? (Choose two.)

A. Request a contingency reserve from management

B. Arrange a team meeting, review the project's scope, and discuss dependency mapping

C. Ensure participants review relevant documents before attending the meeting

D. Ensure that all the relevant stakeholders participate

E. Update the risk register during the team meeting.

ANSWER: B C D

Explanation:

Risk identification should be structured to draw on the project's available information and the knowledge of people who understand its objectives, interfaces, assumptions, and constraints. "Ensure participants review relevant documents before attending the meeting" is appropriate because reviewing items such as the scope baseline, requirements, schedules, assumptions, estimates, and prior lessons learned prepares participants to identify risks from evidence rather than relying solely on recollection during a workshop. "Ensure that all the relevant stakeholders participate" is also essential: stakeholders, subject-matter experts, delivery partners, and functional representatives can identify threats and opportunities that may not be visible to the core project team. In addition, "Arrange a team meeting, review the project's scope, and discuss dependency mapping" describes a valid facilitated risk-identification activity. A workshop or team meeting that examines scope and dependencies helps reveal risks arising from handoffs, external interfaces, sequencing, ownership boundaries, and reliance on other work or organizations. PMI's risk-management guidance emphasizes using appropriate information sources and engaging relevant stakeholders throughout risk work. See PMI's The Standard for Risk Management in Portfolios, Programs, and Projects and its project risk management guidance.

QUESTION NO: 2

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A project manager is identifying risks on a project and decides to use a risk checklist to gather historical data accumulated from similar projects. With several different historical project files to choose from, which two pieces of information should the project manager include in their risk checklist? (Choose two.)

A. Budget variance data from previously completed projects.

B. Project scope and cost management plans from previous projects.

C. Lessons learned from similar completed projects.

D. Previous project risks that may be relevant to this project.

E. Stakeholder analysis metrics from projects with similar risk profiles.

ANSWER: C D

Explanation:

Lessons learned from similar completed projects and previous project risks that may be relevant to this project are the appropriate inputs for a risk checklist. A checklist is a prompt-based risk-identification technique built from historical information and organizational knowledge gained on comparable work. Lessons learned capture prior experience with uncertainty, including the circumstances in which risks emerged, their impacts, warning signs, and the effectiveness of responses. This makes them especially useful for helping the team recognize patterns that could recur.

Previous project risks provide direct, structured evidence of threats and opportunities identified on similar projects. Reviewing those risks allows the project manager to adapt relevant risk statements to the current project's objectives, assumptions, constraints, delivery approach, and environment. The resulting checklist supports a more complete and repeatable identification process; however, it should be tailored rather than used as a substitute for project-specific analysis.

PMI describes risk management as the systematic process of identifying and managing uncertainty, and its standards emphasize using organizational knowledge and past experience to strengthen planning and decision-making. See PMI's Risk Management standards resources and guidance on lessons learned in project management.

QUESTION NO: 3

A new project is about to start, and the risk manager wants to review some documents that could be relevant for risk identification. Which document will help the risk manager in this process?

A. Detailed work breakdown structure (WBS)

B. Lessons learned from previous projects

C. Baselines approved by the project team

D. Actual data from the current project

ANSWER: B

Explanation:

Lessons learned from previous projects is the most appropriate document to review when identifying risks for a new project. Lessons learned are organizational knowledge captured from prior work, including risks that occurred, the conditions or triggers that preceded them, the impacts they caused, response strategies used, and the effectiveness of those responses. This information gives the risk manager evidence-based prompts for recognizing similar uncertainties in the new project rather than relying only on current-team recollection or assumptions.

In PMI risk-management practice, organizational process assets—including lessons-learned repositories, historical information, and prior project records—are important inputs to risk identification. They help teams identify recurring technical, delivery, supplier, stakeholder, regulatory, and estimation risks early enough to analyze and plan responses. Reviewing this material also supports a more complete and realistic risk register by incorporating patterns observed across comparable projects. PMI describes the broader project-management standards and practice resources at PMI Standards and Publications; its risk-management certification overview is available at PMI-RMP Certification. Therefore, prior-project lessons learned directly support systematic risk identification at project startup.

QUESTION NO: 4

A risk manager is overseeing the construction of a new office building and finds that some risks were underestimated in their impact on the project timeline and budget. The risk manager is reassessing the current risk levels to prevent further escalation.

Which two actions should the risk manager take? Choose two.

A. Conduct a detailed risk audit to verify the accuracy of the risk assessments.

B. Implement automation to track project risks in real time.

C. Adjust risk priorities in the risk register based on the new assessment data.

D. Facilitate a risk-planning workshop to select strategies for the high-priority risks.

E. Reassess risk exposure using predictive analytics tools.

ANSWER: C D

Explanation:

"Adjust risk priorities in the risk register based on the new assessment data" is correct because risk reassessment is used to evaluate whether identified risks have changed in probability, impact, urgency, proximity, or overall exposure. When previously underestimated threats now have greater schedule and cost consequences, the risk register must be updated with the revised analysis results and priority. This provides an accurate, current basis for decisions about resource allocation,

escalation, reserves, and management attention. The risk register is a living project document, so it should reflect the project's actual risk environment rather than its original assumptions.

"Facilitate a risk-planning workshop to select strategies for the high-priority risks" is also correct because reassessment should lead to appropriate response planning for risks whose exposure has materially increased. Engaging relevant risk owners and subject-matter experts enables the team to select a suitable threat response—such as avoid, mitigate, transfer, accept, or escalate—and to define specific actions, owners, triggers, due dates, contingency actions, and any required funding. Together, updated priorities and planned responses ensure that the project team takes timely, proportionate action against the newly understood exposure. PMI identifies risk as a project performance domain requiring continuous assessment and response planning; see PMI's PMBOK® Guide and Standards and PMI Standards and Publications.

QUESTION NO: 5

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: C D

Explanation:

An effective risk register provides sufficient information to understand, prioritize, assign, and monitor individual project risks. "Check for risk classification and that probability and impact are identified" is correct because risk categories help organize risks and support analysis of common sources or areas of exposure. Probability and impact assessments provide the basis for evaluating a risk's relative priority and for determining the level of management attention and response planning needed. These fields show whether the register is usable as an active risk-management tool rather than merely a list of concerns.

"Check to ensure that risk origin, triggering event, and ownership is identified" is also correct because these details establish the context needed to manage each risk. Documenting its origin or root cause supports selection of responses that address the underlying exposure. A trigger identifies a condition or event that signals a risk is imminent or has occurred, enabling timely monitoring and action. Assigning ownership establishes accountability for monitoring the risk, implementing agreed responses, and communicating status. PMI describes the risk register as a repository that is progressively developed and updated with risk characteristics, analysis results, and ownership information throughout project risk management. See PMI's PMBOK® Guide and Standards and PMI Lexicon of Project Management Terms.

QUESTION NO: 6

A new company initiates a project to incorporate a cybersecurity team. Which three documents should the risk manager analyze first? (Choose 3)

A. Industry ' s standard procedures

B. Current request for proposal (RFP)

C. Company ' s historical financial reports

D. IT infrastructure, networks, and data information

E. Government laws and regulations

ANSWER: A D E

Explanation:

Industry ' s standard procedures, IT infrastructure, networks, and data information, and Government laws and regulations provide the most immediate basis for early risk analysis of a cybersecurity-team implementation. Industry procedures establish applicable security practices, control expectations, and recognized approaches that can inform the project's initial risk criteria and risk-management approach. Reviewing the organization's infrastructure, network architecture, systems, and data enables the risk manager to identify critical assets, exposure points, dependencies, and areas requiring protection. This creates the factual baseline needed to assess cybersecurity threats and determine risk priorities. Government laws and regulations define mandatory obligations affecting security, privacy, record retention, incident reporting, and handling of protected information. These requirements should be identified early because they shape project scope, acceptance criteria, controls, and compliance-related risk responses. Together, these sources reflect important enterprise environmental factors and organizational context that PMI practice expects teams to consider when tailoring risk-management work and identifying risks. PMI describes risk management as addressing uncertainty that can affect project objectives, while the NIST Cybersecurity Framework emphasizes understanding organizational context, assets, and applicable requirements as a foundation for cybersecurity risk management. See PMI Risk Management resources and NIST Cybersecurity Framework.

QUESTION NO: 7

A critical piece of equipment broke during a project execution phase. The risk manager notices this risk in the risk register, and the response is to rent equipment until the critical piece is repaired.

What type of risk response is this?

A. Transfer

B. Accept

C. Mitigate

D. Avoid

ANSWER: C

Explanation:

Mitigate is the correct response because renting temporary replacement equipment reduces the adverse effect of the equipment failure on project work. The failure may still exist and the original equipment still requires repair, but the rental enables the affected work to continue or resume with less schedule disruption, productivity loss, and potential cost impact. This is the essential purpose of risk mitigation: taking proactive action to reduce a threat's probability of occurring and/or its impact if it occurs. In this situation, because the equipment has already failed, the practical emphasis is on reducing the impact of that event through a planned workaround or contingency action documented in the risk register. A response plan can specify triggers, actions, resources, and ownership; here, the equipment breakdown is the trigger and renting equipment is the planned action. PMI's risk-management guidance recognizes threat-response strategies as mechanisms for addressing uncertainty and protecting project objectives. The action preserves the project's ability to meet its objectives while the underlying equipment is restored. See PMI's The Standard for Project Management and the PMI Lexicon of Project Management Terms for PMI terminology and risk-management concepts.

QUESTION NO: 8

A project lihat was in the execution phase for the last six months was put on hold and was eventually cancelled after numerous scope related challenges. It was decided to re-plan the scope and divide the project into multiple projects to have better insight into end objectives. As part of the project start up. the project manager is developing the risk planning for the project.

What three artifacts should the project manager consult or review during this process? (Choose three.)

A. Project contracts

B. Lessons learned registers from analogous projects

C. Risk register

D. Risk management plan

E. Applicable codes and regulations

ANSWER: A B E

Explanation:

Risk planning at project startup should be tailored to the project's specific contractual context, prior organizational experience, and external compliance environment. **Project contracts** provide key information about allocation of liability, acceptance conditions, deliverables, commercial terms, and obligations that can shape risk thresholds, ownership, reporting, and escalation arrangements. **Lessons learned registers from analogous projects** provide reusable knowledge about risks that occurred in comparable work, their causes, effective responses, and warning signs. This organizational knowledge helps the project manager establish a practical, evidence-based approach from the beginning rather than starting with no historical context. **Applicable codes and regulations** establish legal, regulatory, industry, safety, environmental, or other compliance constraints that influence risk categories, analysis criteria, response requirements, and governance. Reviewing these artifacts enables a risk approach that is proportionate to the new projects and aligned with their obligations and operating environment. PMI recognizes that risk management must be tailored using organizational knowledge and relevant enterprise environmental factors; see PMI's Standard for Risk Management in Portfolios, Programs, and Projects and the PMI Standards and Publications resources.

QUESTION NO: 9

Della works as a project manager for SoftTech Inc. She is working with the project stakeholders to begin the quantitative risk analysis process. Which of the following inputs will be needed for the quantitative risk analysis process in her project? Each correct answer represents a complete solution. Choose all that apply.

A. Risk management plan

B. Project scope statement

C. Risk register

D. Cost management plan

ANSWER: A C D

Explanation:

Quantitative risk analysis uses numerical techniques, such as simulation and sensitivity analysis, to evaluate the combined effect of uncertainty on project objectives, particularly cost and schedule. The *Risk management plan* is needed because it establishes the methodology, roles, risk categories, probability and impact definitions, reporting formats, and relevant thresholds that govern how risk analysis is performed. The *Risk register* is the central source of the identified risks, including their characteristics, potential impacts, and qualitative-analysis results; it supplies the risk data that can be modeled quantitatively. The *Cost management plan* is also needed because quantitative analysis of cost risk requires the project's cost-management approach, including how costs, reserves, precision, and control are addressed. Together, these inputs enable the team to apply an agreed analytical approach to documented risks and assess potential effects on the project budget. PMI describes quantitative risk analysis as a process for numerically analyzing the combined effect of identified risks on overall project objectives. See PMI's PMBOK® Guide and Standards and its overview of project risk management practices.

QUESTION NO: 10

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 simulation.

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: C D

Explanation:

An effective risk-register review begins by confirming that each recorded risk contains the information needed to evaluate, prioritize, assign, and monitor it throughout the project. *Check for risk classification and that probability and impact are identified.* is appropriate because risk categories support structured analysis and reporting, while probability and impact enable assessment of a risk's exposure and prioritization. These attributes provide a consistent basis for deciding which risks need the most attention and for evaluating whether planned responses are proportionate to the threat or opportunity.

Check to ensure that risk origin, triggering event, and ownership is identified. is also appropriate because the source or origin gives useful context for analysis, triggers define observable conditions that signal a response may need to be implemented, and a named risk owner establishes accountability for monitoring and action. Together, these details make the register operational rather than merely a list of concerns. PMI describes risk management as identifying, analyzing, responding to, and monitoring project risks, with risk information documented and maintained to support decisions. See PMI's PMBOK® Guide and Standards and its project risk management practice guidance.

QUESTION NO: 11

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:

Perform Qualitative Risk Analysis is the correct process because the team is assessing each identified risk's likelihood (probability of occurrence) and impact on project objectives. This assessment creates a relative priority for risks, enabling the project team to concentrate attention, ownership, and response-planning effort on the risks that matter most. On a complex construction project with hundreds of identified risks, qualitative analysis is especially useful as an efficient first prioritization step before committing resources to more detailed analysis or response actions. PMI describes qualitative risk analysis as evaluating the probability and impact of individual project risks and other characteristics in order to prioritize risks for further analysis or action. The assessment may use defined probability and impact scales, a probability-and-impact matrix, and consideration of factors such as urgency, proximity, manageability, and detectability. The resulting prioritized risk information supports informed project decisions and establishes which risks may warrant subsequent quantitative analysis or direct response planning. See PMI's overview of risk management standards and practice at The Standard for Risk Management in Portfolios, Programs, and Projects and the PMBOK® Guide and Standards.

QUESTION NO: 12

Management has asked you to perform a risk audit and report back on the results. Bonny, a project team member asks you what a risk audit is. What do you tell Bonny?

A. A risk audit is a review of all the risks that have yet to occur and what their probability of happening are.

B. A risk audit is a review of the effectiveness of the risk responses in dealing with identified risks and their root causes, as well as the effectiveness of the risk management process.

C. A risk audit is a review of all the risk probability and impact for the risks, which are still present in the project but which have not yet occurred.

D. A risk audit is an audit of all the risks that have occurred in the project and what their true impact on cost and time has been.

ANSWER: B

Explanation:

A risk audit is a structured examination of how effectively the project's risk responses are working, whether those responses address the identified risks and their underlying causes, and whether the overall risk management process is effective. It is performed as part of monitoring risks, providing management and the project team with evidence about the quality and effectiveness of risk-management activities already planned or implemented. The audit can identify opportunities to improve response strategies, risk ownership, monitoring practices, escalation, and the handling of newly emerging or changing risks. Its purpose is therefore broader than merely recalculating probability and impact or documenting the consequences of risks that have occurred. PMI describes risk audits as an evaluation of the effectiveness of risk responses and the risk management process. This focus enables informed corrective action and supports continual improvement in the project's approach to uncertainty. See PMI's Standard for Project Management and its risk management standards and resources for the governing project risk-management principles and practices.

QUESTION NO: 13

A project is approaching a major implementation milestone. The risk manager is reviewing the risk register to determine which risks require more frequent monitoring before the milestone.

Which two risk characteristics should the risk manager consider? (Choose two.)

A. Proximity

B. Urgency

C. Number of stakeholders attending the risk review

D. Age of the risk register entry

E. Format of the project status report

ANSWER: A B

Explanation:

Proximity is relevant because it indicates when a risk may occur. Risks with near-term proximity require timely attention because their triggers or effects may emerge before the next routine review.

Urgency is also relevant because it indicates how soon action is needed to respond effectively. A risk may require immediate action even when its probability-and-impact score is not the highest. Considering these characteristics helps the team prioritize monitoring and response work around the upcoming milestone. See PMI's PMBOK® Guide and Standards.

QUESTION NO: 14

Sensitivity analysis is a technique for systematically changing parameters in a model to determine the effects of such changes and is useful for computer modelers for a range of purposes. Which of the following purposes does the sensitivity analysis include? Each correct answer represents a complete solution. Choose all that apply.

A. Estimating the average outcome

B. Model development

C. Decision making or the development of recommendations for decision makers

D. Increased understanding or quantification of the system

ANSWER: B C D

Explanation:

Sensitivity analysis supports **model development** by showing which assumptions, input variables, and parameter values materially affect model results. This insight helps the project team refine the model, focus data-collection effort on influential inputs, test the robustness of assumptions, and make the model fit for its intended use. In risk management, understanding sensitivity is particularly valuable where estimates are uncertain and interactions among cost, schedule, technical, or other risk variables may affect the overall exposure.

It also supports **decision making or the development of recommendations for decision makers**. By displaying how results change under different plausible input values or scenarios, sensitivity analysis makes the practical consequences of uncertainty visible. Decision makers can then prioritize risk responses, select contingencies, compare alternatives, and identify the factors that most deserve management attention.

Finally, sensitivity analysis provides **increased understanding or quantification of the system**. It reveals the model's key drivers and the relative effect of changes in those drivers on outputs, strengthening understanding of the system being represented. PMI's risk-management guidance emphasizes analysis of uncertainty to support informed risk decisions; see PMI Risk Management standards. Additional technical guidance on sensitivity analysis is available from the NIST/SEMATECH e-Handbook.

QUESTION NO: 15

You are the project manager of a new project in your organization. You and the project team have identified the project risks, completed risk analysis, and are planning the most appropriate risk responses. Which of the following tools is most effective to choose the most appropriate risk response?

A. Cause-and-effect diagrams

B. Project network diagrams

C. Delphi Technique

D. Decision tree analysis

ANSWER: D

Explanation:

Decision tree analysis is the most effective tool for selecting an appropriate risk response when the team must compare alternatives whose outcomes are uncertain. A decision tree represents each available response as a decision branch and identifies the possible risk events, their probabilities, and the resulting impacts or payoffs. This structure enables the project team to calculate and compare expected monetary value (EMV), which is the probability of an outcome multiplied by its monetary consequence. The team can therefore select the response that produces the most favorable expected project result, considering response costs as well as the residual risk after the response is implemented.

For example, a team may use the tree to compare accepting a risk, mitigating it through an added control, transferring it through insurance, or avoiding it by changing scope or approach. By making the sequence of decisions and contingent outcomes visible, decision tree analysis supports a documented, quantitative, and defensible response-selection decision. PMI recognizes decision tree analysis as a quantitative risk-analysis technique used to evaluate choices under uncertainty

and determine expected monetary values. See PMI's PMBOK® Guide and Standards and its Standards and Publications resources.

QUESTION NO: 16

A two-year project with a budget of US$2 million has completed about 60% of the work at the end of the first year. The actual cost incurred to complete the remaining 40% of work is about USS1.5 million. As a part of performing a specialized risk analysis, the calculated schedule performance index (SPI) is 1.2 and cost performance index (CPI) is 0.53.

How should the risk manager interpret such a low CPI value?

A. The cost control processes is ineffective.

B. The cost baseline is inaccurate.

C. The actual reported costs are inaccurate.

D. The cost related risks are effectively managed.

E. The project has severe cost inefficiency: actual cost substantially exceeds the earned value of completed work.

ANSWER: E

Explanation:

The project is experiencing severe cost inefficiency: for every US$1.00 spent, it is earning only about US$0.53 worth of budgeted work. Cost Performance Index is calculated as earned value divided by actual cost. Therefore, a value below 1.00 indicates that actual costs exceed the value of work accomplished, and a value of 0.53 is a material adverse variance that warrants prompt analysis and response. The risk manager should treat this result as evidence of significant cost-performance exposure, assess likely causes and impacts on the estimate at completion, and ensure appropriate risk responses or corrective actions are considered. The index alone does not establish whether the underlying cause is an inaccurate baseline, inaccurate reporting, or an ineffective control process; it measures the relationship between earned value and actual cost. PMI describes earned value management as an integrated approach for measuring project scope, schedule, and cost performance. See PMI's Practice Standard for Earned Value Management and its PMBOK® Guide and Standards.

QUESTION NO: 17

Which of the following statements describe the purpose of an Issue Log? Each correct answer represents a complete solution. Choose all that apply.

A. It analyzes the impact that the issue is having on the project.

B. It tracks the actions taken to resolve the issue.

C. It tracks the outcome of the actions taken.

D. It addresses the risks that could affect the project.

ANSWER: A B C

Explanation:

An issue log is a project document used to record, monitor, and manage issues that have already occurred and require attention. It supports an organized response by capturing information needed for the project team and stakeholders to understand the issue, including its potential or actual effect on project objectives, deliverables, schedule, cost, quality, resources, or stakeholder expectations. Therefore, analyzing the impact that the issue is having on the project is an appropriate use of the log.

The issue log also provides accountability and traceability throughout resolution. It records the action items or response activities assigned to address an issue, identifies the responsible owner, and allows the team to follow progress through to

closure. Recording the outcome of actions taken is equally important because it documents whether the issue was resolved, deferred, escalated, accepted, or requires additional work. This history helps the project manager communicate status, make informed decisions, and preserve lessons that can improve future issue management. PMI describes the issue log as a project document for recording and monitoring issues, with details such as issue owner, status, resolution, and target resolution date. See the PMBOK® Guide and Standards and PMI's guidance on project issue management.

QUESTION NO: 18

Risk Register in US Dollars		Monte Carlo Simulation	
Funding Shortage	10,000	Simulations	2500
Delayed Procurement	20,000	10%	1,527,000
New Technology	60,000	20%	1,554,000
Labor Shortage	50,000	30%	1,581,000
Materials	5,000	40%	1,608,000
Schedule Slippage	10,000	50%	1,635,000
Total	155,000	60%	1,662,000
Cost in US Dollars		70%	1,689,000
Project Management	150,000	80%	1,716,000
Materials	75,000	90%	1,743,000
Labor	1,125,000	New Technology	225,000
Total	1,500,000		
Contingency Reserve	155,000		
Project Budget	1,655,000		

Given the output from the Monte Carlo simulation, what is the probability of a successful completion within the project budget?

A. 30% probability of meeting project budget

B. 46% probability of meeting project budget

C. 56% probability of meeting project budget

D. 60% probability of meeting project budget

ANSWER: C

Explanation:

56% probability of meeting project budget is correct. A Monte Carlo cost simulation runs many iterations using the modeled uncertainty in cost estimates and risk inputs, producing a distribution of possible total project costs. To determine the likelihood of completing within a specified budget, read the cumulative probability associated with that budget threshold on the simulation output. The displayed budget value aligns with a cumulative probability of 56%, meaning that 56% of the

simulated outcomes have a final cost at or below the available project budget. In practical risk-management terms, this is the project's confidence level for achieving the cost objective under the assumptions, uncertainty ranges, and risk model used in the analysis. This use of quantitative simulation supports PMI's quantitative risk analysis practice by translating uncertainty into a measurable probability that can inform contingency, reserve, and funding decisions. PMI describes risk management as including analysis of uncertainty and its effects on project objectives; see PMI's project risk management guidance. For additional context on Monte Carlo simulation as a method for modeling many possible outcomes from uncertain inputs, see Palisade's Monte Carlo simulation overview.

QUESTION NO: 19

A project manager has just been assigned to a new project. The project manager has been tasked by the project sponsor to ensure the project risks are closely managed. The project manager starts with developing the risk management plan.

What is the expected outcome of developing the risk management plan?

A. Being able to monitor and control risks throughout the project.

B. Defining how risk management will be executed throughout the project.

C. Documenting the communication strategy for risks throughout the project.

D. Having the ability to identify risks throughout the project.

ANSWER: B

Explanation:

Defining how risk management will be executed throughout the project. is correct because the risk management plan establishes the project-specific framework for managing uncertainty in a consistent, proactive manner. It specifies the methodology and approach that the team will use, including risk roles and responsibilities, funding, timing and frequency of risk activities, stakeholder risk appetite and thresholds, reporting formats, and the categories or structures used to organize risks. It can also define probability and impact scales, the probability-impact matrix, and how risks will be prioritized and tracked.

This planning work is performed early so that later risk-management activities are repeatable, appropriately governed, and aligned with the sponsor's expectations. The plan is not merely a list of risks; rather, it defines the rules and procedures under which risks will be identified, analyzed, responded to, monitored, communicated, and escalated throughout the project life cycle. PMI describes risk management as a continuing project activity and emphasizes tailoring the approach to the project's context. See PMI's PMBOK® Guide and Standards resources and its PMI-RMP® certification overview.

QUESTION NO: 20

You are the project manager of the BlueStar project in your company. Your company is structured as a functional organization and you report to the functional manager that you are ready to move onto the qualitative risk analysis process. What will you need as inputs for the qualitative risk analysis of the project in this scenario?

A. Qualitative risk analysis does not happen through the project manager in a functional structure.

B. You will need the risk register, risk management plan, project scope statement, and any relevant organizational process assets.

C. You will need the risk register, risk management plan, outputs of qualitative risk analysis, and any relevant organizational process assets.

D. You will need the risk register, risk management plan, permission from the functional manager, and any relevant organizational process assets.

E. You will need the risk register, risk management plan, enterprise environmental factors, and any relevant organizational process assets.

ANSWER: E

Explanation:

The required inputs are the risk register, risk management plan, enterprise environmental factors, and relevant organizational process assets. The risk management plan establishes the approach, definitions, roles, probability and impact scales, and other criteria that will be used to assess risks consistently. The risk register supplies the individual identified risks and their characteristics to be assessed for probability, impact, urgency, and other qualitative attributes. Enterprise environmental factors can include organizational risk tolerance, industry conditions, and relevant regulations that influence how risks are evaluated. Organizational process assets can provide historical information, risk categories, templates, lessons learned, and prior project data that improve the quality and consistency of the assessment. A functional organizational structure affects authority and reporting relationships, but it does not alter the fundamental information needed to perform this risk management process. This set of inputs supports a structured prioritization of risks so that attention and response-planning effort can be directed toward the most significant exposures. PMI's standards resources describe risk management as a disciplined project-management practice: PMI PMBOK® Guide and Standards and PMI Standards.

QUESTION NO: 21

A project team is preparing a risk report for a program sponsor. The sponsor has requested information that shows whether the project's risk exposure is changing over time and whether response actions are producing the intended results.

What two items should the risk manager include? (Choose two.)

A. Risk exposure trends

B. Status of planned risk response actions

C. Names of all workshop participants

D. Detailed meeting minutes from risk reviews

E. Original probability ratings for closed risks

ANSWER: A B

Explanation:

Risk exposure trends are appropriate because they show whether the overall level of project uncertainty is increasing, decreasing, or remaining stable. Trend information enables the sponsor to see changes in the aggregate risk profile rather than reviewing only a static list of individual risks.

Status of planned risk response actions is also appropriate because it shows whether actions have been completed, are overdue, or are producing the intended effect. Together, these items support governance decisions about priorities, escalation, and the need for additional resources. See PMI's risk management standards resources.

QUESTION NO: 22

An organization is executing two projects â€" Project A and Project B â€" simultaneously. A previously identified risk will impact the schedule for Project A. While executing the mitigation plan, a number of residual risks are identified that could provide cost savings for Project B.

Which action should the risk manager for Project A take?

A. Review the findings in Project A's closure documents and propose a new organizational process for portfolio risk management.

B. Consult with Project B's risk manager and determine where synergies might exist between the risk management plans for both projects.

C. Combine the risk registers for Project A and Project B and determine if there are any additional cross-project opportunities to exploit.

D. Continue executing the planned risk mitigation to avoid any additional schedule impact to Project A.

ANSWER: B

Explanation:

Consult with Project B's risk manager and determine where synergies might exist between the risk management plans for both projects. is the appropriate action because the residual risks identified during Project A's response implementation have potential beneficial effects for another active project. PMI risk management is not limited to documenting individual-project threats; it also requires ongoing communication, monitoring, and coordination with relevant stakeholders when risk information, dependencies, or opportunities extend beyond the project's immediate boundaries. The Project A risk manager should therefore promptly engage the appropriate risk counterpart on Project B to assess the potential cost-saving opportunities, clarify interproject dependencies, and coordinate any updates needed to each project's risk-management approach. This collaboration supports informed ownership, timely decision-making, and the realization of opportunity while maintaining governance over Project A's existing schedule-risk response. It also preserves the distinct accountability of each project team while enabling organizational value to be recognized across projects. PMI describes project risk management as including the identification, analysis, response planning, implementation, and monitoring of both threats and opportunities throughout the project life cycle. See PMI's PMBOK® Guide and Standards and its overview of project risk management approaches.

QUESTION NO: 23

There are five inputs to the quantitative risk analysis process. Which one of the following is NOT an input to the perform quantitative risk analysis process?

A. Risk register

B. Risk management plan

C. Cost management plan

D. Enterprise environmental factors

ANSWER: C

Explanation:

Cost management plan is the correct selection because it is not one of the five inputs identified for the Perform Quantitative Risk Analysis process in the PMBOK® Guide Sixth Edition process framework. That framework lists the risk management plan, risk register, risk reports, enterprise environmental factors, and organizational process assets as the process inputs. Quantitative risk analysis uses these sources to evaluate the combined effect of identified risks on overall project objectives through numerical analysis, such as Monte Carlo simulation, sensitivity analysis, decision-tree analysis, or expected monetary value analysis.

The cost management plan can still be relevant project information when a team is evaluating cost-related uncertainty. For example, it may establish conventions for cost estimating, contingency reserves, or control thresholds. However, relevance to analysis is different from being a formally defined input to this specific PMI process. The question asks for the item that is not among the prescribed five inputs, making **Cost management plan** the best answer. PMI's standards overview is available at PMI PMBOK® Guide and Standards, and PMI describes quantitative risk analysis as a discipline for assessing risk exposure at PMI-RMP® Certification.

QUESTION NO: 24

In a large enablement project with strict time lines, risks need to be closely monitored. The risk manager publishes reports comparing planned enablement sessions with actual enablement sessions, which help identify potential risks to be addressed.

Which technique is the risk manager using?

A. Variance analysis

B. Residual impact analysis

C. Sensitivity analysis

D. Reserve analysis

ANSWER: A

Explanation:

Variance analysis is correct because it evaluates the difference between a planned baseline or expected result and the actual result achieved. Here, the reports compare the number or timing of planned enablement sessions with actual sessions delivered. Those deviations are variances. In a project with strict timelines, a meaningful variance can provide an early indication that a threat may affect schedule objectives, resource availability, stakeholder readiness, or subsequent work. The risk manager can use the observed variance to determine whether a risk trigger has occurred, assess the need for additional response actions, and communicate the risk exposure to relevant stakeholders. Risk monitoring is a continuous activity: project performance information is reviewed to identify changes in known risks and to detect emerging risks. Comparing actual performance against the plan is therefore a practical and appropriate technique for identifying risk-relevant deviations and supporting timely management action. PMI describes risk management as including monitoring risks and evaluating the effectiveness of risk processes throughout the project; its standards resources provide the governing project-management context. See PMI's PMBOK® Guide and Standards and PMI-RMP® certification information.

QUESTION NO: 25

The project team has correctly identified, assessed, and planned responses for a project's risks. The risk manager is required to prepare a quarterly report on the performance of managing the risks.

What are two options the risk manager should consult for the analysis? (Choose two.)

A. Proximity dales for open risks

B. Backlog of change orders to be submitted to client

C. Risks that have materialized and the overall risk profile

D. Number of schedule baseline changes approved

E. Risks due to the number of claims submitted to the client

ANSWER: C E

Explanation:

"Risks that have materialized and the overall risk profile" is essential because a quarterly performance review must evaluate both actual risk outcomes and the project's current aggregate exposure. Materialized risks show whether identified threats occurred, how effectively response actions worked, and what impacts were experienced. The overall risk profile provides a consolidated view of exposure, including changes in risk severity, trend information, and remaining uncertainty. Together, these inputs support meaningful conclusions about the effectiveness of the risk-management approach and whether further actions are needed.

"Risks due to the number of claims submitted to the client" is also relevant because claims are a significant indicator of realized or emerging contractual, commercial, and stakeholder-related risk exposure. The volume of claims can reveal patterns that require management attention and can inform the assessment of residual risk and response effectiveness. PMI guidance describes risk reporting as communicating information on sources of overall project risk and on individual project risks, including their status and management results. See PMI's PMBOK Guide and Standards and its Practice Guides for risk-management guidance.

QUESTION NO: 26

During the risk management planning, key stakeholders recommend adding more factors other than probability and the impact to refine the score of prioritized threats in subsequent iterations of the qualitative risk analysis. The stakeholders ask the risk manager to prepare a list to discuss this further.

Which three valid factors should the risk manager prepare on the list for discussion? (Choose 3)

A. Compatibility

B. Urgency

C. Usability

D. Proximity

E. Detectability

ANSWER: B D E

Explanation:

Urgency, proximity, and detectability are valid supplemental risk parameters for refining the prioritization of threats during qualitative risk analysis. PMI's qualitative analysis guidance recognizes that probability and impact may not alone provide enough differentiation among risks with similar scores. These additional characteristics help the project team assess the practical significance of a threat and establish a more useful priority order for response planning and monitoring.

Urgency addresses the period within which a response must be implemented for the risk to remain manageable. A threat requiring action very soon merits attention even when its basic probability-and-impact score is comparable to another risk. Proximity considers how soon the risk event may occur, allowing the team to distinguish near-term threats from those expected later in the project. Detectability reflects how readily the risk's occurrence or conditions can be recognized. Considering detectability supports appropriate monitoring because threats that are difficult to identify can require closer observation and earlier preventive action.

These factors may be defined with clear scales in the risk management plan and incorporated into the project's risk-prioritization approach. PMI discusses qualitative risk analysis and risk-data assessment in A Guide to the Project Management Body of Knowledge (PMBOK® Guide); related standard and practice resources are available through PMI Standards.

QUESTION NO: 27

A newly assigned risk manager realizes that a project has unrealistic funding and low resources. Which document should the risk manager review?

A. Risk assessment criteria

B. Project management plan

C. Project assumptions

D. Risk management plan

ANSWER: B

Explanation:

The **Project management plan** is the appropriate document to review because it integrates the approved approach for managing the project and its key performance baselines. In this situation, the risk manager needs to understand the planned funding, budget constraints, resource commitments, and the management approach used to control those constraints. The plan incorporates subsidiary management plans and baselines that provide the context needed to evaluate whether funding and available resources are realistic for the planned scope and delivery approach. Reviewing it enables the risk manager to identify risk exposure arising from a mismatch between planned work and the financial or human resources available, then document and communicate the resulting risks through the project's risk management processes. PMI describes the project management plan as the document that defines how the project will be executed, monitored, controlled, and closed; it is therefore the central source for understanding approved project strategies and constraints. PMI's standards also position risk

management as an integrated activity that must be considered in relation to project planning and delivery decisions. See PMI's PMBOK® Guide and Standards and its standards resources.

QUESTION NO: 28

As part of standard procedure to monitor and control a project, a risk manager should constantly update the risk register. The risk register updates should include information on risk reassessment, risk audits, and periodic risk reviews.

What additional information should the risk manager prioritize in the risk register updates?

A. Actual outcomes and performance of risk management strategies

B. Actual outcomes of the project ' s risks and risk responses

C. Actual costs and schedule delays of risk events

D. Actual cost impact of risk events

ANSWER: B

Explanation:

Actual outcomes of the project ' s risks and risk responses should be recorded because monitoring risks is not limited to checking whether planned activities occurred. The risk register must show what actually happened when a risk event occurred, including the realized effect on the project and the observed result of the response that was used. This creates an accurate current record of residual and emerging risk conditions and gives the project team evidence for adjusting response actions, contingency plans, ownership, and priorities.

Capturing actual outcomes also supports organizational learning. A response may have been implemented as planned but produced a different result than expected; documenting that result allows the team to improve its approach during the project and provides useful information for future projects. In PMI's Monitor Risks process, risk register updates include the results of risk reassessments, audits, and periodic reviews, together with the actual outcomes of project risks and risk responses. This information helps ensure that risk management remains a continuous, evidence-based control activity rather than a static planning exercise. See PMI's PMBOK® Guide and Standards resources and the PMI Lexicon of Project Management Terms.

QUESTION NO: 29

A company has been awarded a large government contract to develop a new transportation system. There is uncertainty surrounding the project ' s timeline. The project team is struggling to finalize the project ' s budget due to unclear estimates from vendors. An updated vendor price list detailing the costs of available technologies is an essential component in determining the project ' s final cost. The project team will not be able to finalize the project ' s timeline until the budget is finalized.

What should the risk manager do?

A. Request an extension to mitigate schedule constraints.

B. Register the risks as vendor issues and avoid further action.

C. Log the risk and the response strategies in the risk register.

D. Catalog the risks as assumptions and avoid further action.

ANSWER: C

Explanation:

"Log the risk and the response strategies in the risk register" is correct because the unavailable or unclear vendor pricing creates uncertainty that can affect both the project budget and the dependent schedule. This is a project risk: it is an uncertain condition that, if it occurs or persists, can affect project objectives. The risk manager should document the risk in

the risk register, including its cause (uncertain vendor estimates), potential impacts on cost and timeline, ownership, assessment information, and planned response actions. Appropriate response planning can include obtaining updated pricing by an agreed date, pursuing alternative supplier quotes, defining cost and schedule contingencies, and establishing escalation triggers if the required pricing is delayed. Recording the risk and its responses makes the exposure visible, assigns accountability, and provides a basis for ongoing monitoring as vendor information becomes available. PMI describes the risk register as a project document that captures identified risks and related risk-analysis and response-planning information. This approach supports proactive management of the budget-and-schedule dependency rather than waiting until it disrupts the project baseline. See PMI's PMBOK® Guide and Standards resources and its Project Management Lexicon for PMI terminology and standards context.

QUESTION NO: 30

You work as a project manager for BlueWell Inc. You are preparing for the risk identification process. You will need to involve several of the project's key stakeholders to help you identify and communicate the identified risk events. You will also need several documents to help you and the stakeholders identify the risk events. Which one of the following is NOT a document that will help you identify and communicate risks within the project?

A. Risk register

B. Activity cost estimates

C. Stakeholder register

D. Activity duration estimates

ANSWER: A

Explanation:

Risk register is correct because, in the context of preparing to perform risk identification, it is not an input document used to identify risks. It is the primary output created and progressively developed through the Identify Risks process. At the beginning of that process, the project team uses available planning and project documents, along with stakeholder participation and relevant expertise, to discover uncertainty that could affect project objectives. The identified risks are then documented in the risk register.

As risks are identified, the register records items such as risk descriptions, potential owners, possible responses, and other information appropriate to the project and the stage of risk management. It consequently becomes an essential communication and tracking tool after risks have been captured, reviewed, and analyzed. However, because it is produced by risk identification rather than serving as a source document for the initial identification effort, it is the document that does not fit the question's stated preparation context. PMI describes risk management concepts and the role of risk information in its standards resources at PMI's PMBOK® Guide and Standards and provides related terminology in the PMI Lexicon of Project Management Terms.

QUESTION NO: 31

A risk manager was recently hired to assist with a mid-sized infrastructure project. The risk manager becomes aware that they have an inexperienced project team.

What two items should the risk manager have their team review in order to prepare for an upcoming risk identification workshop? (Choose two.)

A. Scope of work and requirements

B. Monte Carlo analysis from a similar project

C. List of pre-approved contractors

D. Organization chart for city permit department

E. Risk management plan

ANSWER: A E

Explanation:

Scope of work and requirements should be reviewed because effective risk identification starts with a shared understanding of the work to be delivered, its boundaries, assumptions, constraints, interfaces, and acceptance needs. For an inexperienced team, this review gives participants the project context needed to recognize uncertainty that could affect objectives such as scope, schedule, cost, quality, safety, and compliance. Requirements are particularly valuable on an infrastructure project because they can reveal risks related to permits, technical specifications, stakeholders, site conditions, and regulatory obligations.

Risk management plan should also be reviewed before the workshop. It establishes the agreed approach for managing risk, including relevant methods, roles and responsibilities, risk categories, probability and impact definitions, reporting expectations, and the format for recording risks. Reviewing this plan helps inexperienced participants contribute consistently and understand how identified risks will be documented, evaluated, assigned, and managed after the session. PMI's standards emphasize tailoring risk-management practices to the project and creating a common understanding of how uncertainty will be addressed. See PMI's The Standard for Project Management and its risk management standards resources.

QUESTION NO: 32

During a risk identification process in a construction project, the lack of space to install air conditioners is raised as a risk with high impact. Which is an example of an early risk trigger?

A. A potential need to share the space with other machinery

B. A different type of equipment received before installation

C. A time delay during air conditioning installation activities

D. A quality nonconformance issue raised during the inspection

ANSWER: A

Explanation:

An early risk trigger is a detectable condition, event, or warning sign that indicates a risk may be about to occur and that the planned response may need to be initiated. "A potential need to share the space with other machinery" is an early indicator for the identified risk because it signals that the physical area allocated for the air-conditioning equipment could be reduced or become unavailable. Project personnel can monitor this emerging space conflict before installation starts, confirm the final equipment layouts, coordinate with the affected disciplines, and implement actions such as redesigning the layout, relocating machinery, or reserving the required footprint. This makes it useful as a trigger: it provides timely information that the risk is becoming more likely and enables proactive action while feasible alternatives are still available. PMI risk practice emphasizes identifying conditions that can be monitored and that signal a risk event is imminent, so risk owners can execute the appropriate response rather than wait for the impact to materialize. See PMI's PMI Lexicon of Project Management Terms and the PMBOK® Guide and Standards resources for PMI's risk-management terminology and guidance.

QUESTION NO: 33

What are the critical success factors for the Plan Risk Management process?

A. Mitigate all risks, engage stakeholders, and follow organizational policies.

B. Identify and address barriers, engage stakeholders, and follow organizational policies.

C. Contingency reserves engage stakeholders and follow organizational policies.

D. Identify and address barriers, engage stakeholders, and follow government regulations.

ANSWER: B

Explanation:

Identify and address barriers, engage stakeholders, and follow organizational policies is correct because effective risk management begins by establishing a workable, supported approach before individual risks are identified or analyzed. Planning must surface and remove obstacles that could prevent risk activities from being performed consistently, such as unclear roles, insufficient management support, limited time, inadequate skills, or unavailable risk information. The process also depends on engaging appropriate stakeholders so that risk thresholds, appetites, responsibilities, reporting expectations, and decision-making approaches reflect the project's operating context and receive meaningful commitment. Finally, risk management planning must align with applicable organizational policies, procedures, governance structures, and established risk-management practices. This alignment promotes consistency with the organization's broader approach to uncertainty while tailoring the risk management plan to the project's scale, complexity, and stakeholder environment. These actions create the foundation for subsequent risk identification, analysis, response planning, and monitoring, rather than attempting to resolve every risk during the planning process. PMI describes risk management as a structured discipline integrated with project work and organizational governance; see PMI's PMBOK® Guide and Standards and its Process Groups: A Practice Guide.

QUESTION NO: 34

A risk manager for a new product development project has worked diligently with stakeholders and the project team to identify and document risks. These project risks vary widely in probability and impact.

Which three actions should the risk manager take to inform the identification of resource requirements for individual risk responses? (Choose 3).

A. Work with the project team to conduct a decision tree analysis for each risk or set of related risks.

B. Calculate the expected monetary value (EMV) of each risk and use these outputs to inform and defend project reserves.

C. Conduct a Monte Carlo simul-ation to understand the probabilities of various risk outcomes.

D. Use the risk breakdown structure (RBS) to calculate the total cost of mitigating all risks and ensure project reserves are adequate to cover this amount.

E. Focus attention and resources on identified risks with the highest potential to impact the project.

ANSWER: A B E

Explanation:

"Work with the project team to conduct a decision tree analysis for each risk or set of related risks," "Calculate the expected monetary value (EMV) of each risk and use these outputs to inform and defend project reserves," and "Focus attention and resources on identified risks with the highest potential to impact the project" provide complementary information for planning response resources. Decision tree analysis models alternative response-related decisions and their possible consequences, enabling the team to compare paths involving different costs, outcomes, and risk exposure. EMV translates probability and monetary impact into an expected value, which supports a defensible estimate of the financial resources needed for contingency reserves and selected response actions. These quantitative outputs help the project manager and risk owner make proportionate resource commitments rather than treating every risk equally.

Resource planning must also be driven by prioritization. Directing attention and resources to risks with the greatest potential effect on project objectives ensures that limited budget, people, time, and management attention are assigned where they can provide the most value. Together, quantitative analysis and risk prioritization support selection of practical, appropriately funded individual risk responses. PMI describes risk management principles and practices in its Standard for Risk Management and identifies EMV and decision-tree analysis in its PMBOK® Guide resources.

QUESTION NO: 35

A risk manager has identified multiple risks in an innovation project and needs to prioritize the use of resources to respond to the risks. Which analysis will help the risk manager in this situation?

A. Sensitivity analysis

B. Qualitative analysis

C. Statistical analysis

D. Impact analysis

ANSWER: B

Explanation:

Qualitative analysis is the appropriate analysis because its central purpose is to evaluate identified risks and prioritize them for response planning and resource allocation. The risk manager assesses each risk using relative measures such as probability of occurrence, potential impact on project objectives, urgency, manageability, and other relevant characteristics. These assessments are commonly captured in a probability-and-impact matrix or similar ranking approach. The resulting priority order helps the team focus limited response resources on the risks that require the most immediate and significant attention.

In an innovation project, uncertainty may be substantial and reliable numerical data may not yet be available. Qualitative analysis remains useful in this setting because it uses informed expert judgment and agreed assessment criteria to establish a practical, consistent basis for decisions. The prioritized risk register then supports selection of response strategies and identifies risks that may warrant further, more detailed analysis. PMI describes risk management as a process of identifying, analyzing, and responding to project uncertainty in order to improve outcomes; prioritization is a key benefit of qualitative assessment. See PMI's PMBOK® Guide and Standards and its PMI-RMP® certification overview.

QUESTION NO: 36

FILL BLANK

Fill in the blank with an appropriate phrase.

_____is the study of how the variation (uncertainty) in the output of a mathematical model can be apportioned, qualitatively or quantitatively, to different sources of variation in the input of a model.

A. Sensitivity analysis

ANSWER: A

Explanation:

Sensitivity analysis is the appropriate phrase because it examines how changes or uncertainty in individual model inputs affect the model's output. In project risk management, this technique helps the team identify which uncertain variables have the greatest potential influence on an objective such as cost, schedule duration, or performance. The analysis can be qualitative, using relative influence or ranking, or quantitative, using modeled input ranges and measured output effects. Its central purpose is to apportion output variability to the inputs that drive it most strongly, allowing risk responses, contingency decisions, and monitoring effort to focus on the most influential sources of uncertainty. PMI includes sensitivity analysis among quantitative risk-analysis techniques and commonly represents results with a tornado diagram, which ranks uncertain inputs according to their impact on a selected project outcome. This use supports risk-informed decision-making by showing where better data, additional analysis, or targeted treatment is likely to provide the greatest value. See PMI's overview of project-management standards at PMI PMBOK® Guide and Standards and the definition and methodological context provided by the sensitivity-analysis literature.

QUESTION NO: 37

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: A B

Explanation:

Management-level risk communication should concentrate on decision-relevant information: the threats and opportunities that could materially affect organizational success, and their relationship to the organization's established risk appetite, risk thresholds, and strategic direction. Therefore, *Risks that are tied to the success of the organization* is correct because executives need visibility into uncertainty that can affect strategic objectives, benefits realization, organizational value, and the ability to deliver key initiatives. Presenting this connection enables leaders to prioritize attention, funding, and governance decisions based on business impact rather than on an isolated project perspective.

Risks as they apply to the organization's overall risk management philosophy and strategic ambition is also correct because risk information must be interpreted within the organization's defined approach to taking, managing, and escalating risk. A risk manager should show whether the project's exposure and opportunity profile are consistent with the organization's risk appetite and strategic ambitions, and identify where management decisions or acceptance are needed. This supports integrated risk governance and ensures that project-level uncertainty is considered in the broader portfolio and enterprise context. PMI emphasizes tailoring risk management to the organizational context and using risk information to support sound decisions. See PMI's Practice Standard for Project Risk Management and organizational governance resources.

QUESTION NO: 38

A risk manager for a cross-functional project is initiating the risk identification process. The risk manager conducted some meetings for stakeholders to express their concerns, but some stakeholders are complaining that their opinions were not considered.

How should the risk manager address these concerns?

A. Refer to the requirements documentation to confirm stakeholder requirements as they relate to risks.

B. Refer to the project charter to find guidelines and stakeholder communication channels.

C. Review the stakeholder register and stakeholder engagement plan to communicate and solicit stakeholder input.

D. Rewrite the risk register to include the additional possible risks and inform the stakeholders.

ANSWER: C

Explanation:

Review the stakeholder register and stakeholder engagement plan to communicate and solicit stakeholder input is correct because effective risk identification depends on meaningful, inclusive engagement with the relevant stakeholders. The stakeholder register provides the risk manager with information about stakeholders' roles, interests, influence, expectations, and communication needs. The stakeholder engagement plan then guides the appropriate strategies for involving them and responding to their concerns. Reviewing these documents helps the risk manager identify who may have been insufficiently engaged, understand how they prefer to participate, and arrange suitable follow-up communication and risk-identification activities. The manager can then actively solicit input through targeted discussions, interviews, workshops, surveys, or other appropriate techniques, ensuring stakeholders have a genuine opportunity to contribute risk information throughout the project life cycle. This approach supports a complete view of uncertainty in a cross-functional project and strengthens stakeholder confidence that their perspectives are being heard and incorporated into the risk process. PMI describes identifying and engaging stakeholders as an ongoing activity, with stakeholder information and engagement approaches tailored as conditions and expectations evolve. See PMI's PMBOK Guide and Standards resources and the PMI-RMP certification overview.

QUESTION NO: 39

A risk manager is facilitating a root cause analysis after several technical risks have materialized on a project. The project manager wants to identify the underlying conditions that contributed to the events.

Which two techniques are appropriate for this analysis? (Choose two.)

A. Fishbone diagram analysis

B. The five whys technique

C. Monte Carlo simulation

D. Probability-and-impact matrix

E. Decision tree analysis

ANSWER: A B

Explanation:

Fishbone diagram analysis is appropriate because it organizes potential causes into categories and helps the team explore relationships among people, processes, technology, materials, and environmental conditions. It is useful for systematically identifying possible root causes of a risk event or issue.

The five whys technique is also appropriate because it uses repeated questioning to move from a visible symptom toward underlying causal conditions. Both techniques support learning from materialized risks and can reveal preventive actions for future work. See PMI's PMBOK® Guide and Standards.

QUESTION NO: 40

A risk owner determines that a regulatory risk has exceeded the project's established threshold. The required response would affect multiple business units and requires funding authority that is outside the project manager's delegated authority.

What two actions should the project manager take? (Choose two.)

A. Escalate the risk to the appropriate level of management.

B. Communicate the current assessment, response alternatives, and decision required.

C. Close the risk because it is outside the project manager's authority.

D. Implement an unapproved response using management reserve.

E. Transfer the risk owner role to the project sponsor.

ANSWER: A B

Explanation:

Escalate the risk to the appropriate level of management is correct because the exposure exceeds the project's threshold and requires authority beyond the project manager's control. Escalation ensures that the risk is addressed by the person or group that has the authority, budget, and organizational scope to make the required decision.

Communicate the current assessment, response alternatives, and decision required is also correct. Effective escalation provides decision makers with clear information about the source of risk, potential effect on objectives, urgency, available options, residual exposure, and the consequences of not acting. The project manager should continue to monitor the risk and update the risk register while awaiting the decision. PMI risk management guidance emphasizes escalation when risks exceed defined thresholds or cannot be effectively managed within the project. See The Standard for Risk Management in Portfolios, Programs, and Projects.

QUESTION NO: 41

A risk manager manages risks in a construction project. A stakeholder mentions that if there is less than a 50% chance of rain, construction should continue. Another stakeholder says that if there is less than a 60% chance of rain, construction should continue.

What should the risk manager do next to find out the correct limit?

A. Review the agreed-upon risk tolerance

B. Perform a sensitivity analysis of the risk

C. Find out the stakeholdersâ€™ risk appetite

D. Use industry standard risk thresholds

ANSWER: A

Explanation:

Review the agreed-upon risk tolerance is the appropriate next step because the acceptable probability of rain is a project-specific decision boundary. Risk tolerance defines the degree of variation or uncertainty that relevant stakeholders and the organization are prepared to accept in pursuit of project objectives. When it is expressed quantitatively, it provides the basis for establishing actionable risk thresholds or triggers, such as the weather probability at which construction may proceed, pause, or require contingency actions.

The risk manager should consult the documented risk management plan and any related stakeholder agreements, escalation thresholds, assumptions, and response plans. This confirms the limit that was formally accepted for this project rather than relying on an individual stakeholder's current preference. If the documentation does not contain an agreed tolerance or threshold, the risk manager can use that finding to facilitate a decision with the authorized stakeholders and ensure the resulting limit is documented and consistently applied. This approach supports governance, alignment with project objectives, and repeatable risk-response decisions. PMI describes risk appetite, tolerance, and thresholds as important considerations for tailoring risk management and defining acceptable exposure. See PMI’s PMBOK® Guide and Standards and PMI Risk Management Professional (PMI-RMP)® resources.

QUESTION NO: 42

You work as a project manager for SoftTech Inc. You are working with the project stakeholders to begin the qualitative risk analysis process. Which of the following inputs will be needed for the qualitative risk analysis process in your project? Each correct answer represents a complete solution. Choose all that apply.

A. Organizational process assets

B. Cost management plan

C. Project scope statement

D. Risk register

ANSWER: A C D

Explanation:

Qualitative risk analysis prioritizes identified risks by assessing their probability of occurrence and potential effect on project objectives. The *Risk register* is therefore essential because it contains the individual risk events that the team will assess, along with available details such as causes, affected objectives, triggers, and preliminary response information. The analysis results are recorded back into this register as probability, impact, score, urgency, and priority information.

The *Project scope statement* supplies important context for making consistent assessments. Its description of deliverables, acceptance criteria, exclusions, assumptions, and constraints helps stakeholders understand what may be affected if a risk occurs and supports a realistic appraisal of impact. *Organizational process assets* also inform the assessment by providing organizational risk policies, probability-and-impact definitions, risk matrix formats, historical information, and lessons learned from comparable work. These assets help the project team apply the organization’s established risk-rating approach consistently. PMI’s process guidance treats qualitative analysis as a structured prioritization activity based on identified risks,

project context, and organizational knowledge. See PMI's PMBOK® Guide and Standards and PMI Risk Management standards resources.

QUESTION NO: 43

A project is in execution, and the risk manager is conducting a monthly risk review. The project team needs to verify that the current risk-management approach remains effective.

What two actions should the risk manager take? (Choose two.)

A. Review the effectiveness of implemented risk responses.

B. Identify and analyze new risks.

C. Close all risks that have not occurred during the month.

D. Replace the risk register with the issue log.

E. Eliminate risk owners after response actions begin.

ANSWER: A B

Explanation:

Review the effectiveness of implemented risk responses is appropriate because response actions may no longer be sufficient if assumptions, conditions, or risk exposure have changed. The review helps determine whether planned actions were completed, whether they reduced the probability or impact as intended, and whether additional actions are required.

Identify and analyze new risks is also appropriate because project risk management is continuous. New threats and opportunities can emerge from changes in scope, suppliers, technology, stakeholder expectations, external conditions, or results of implemented responses. These risks should be recorded, assessed, assigned to owners, and managed through the established process. PMI describes monitoring risks as tracking identified risks, identifying and analyzing new risks, and evaluating the effectiveness of risk processes and responses. See PMI's Risk Management standards resources and PMBOK® Guide and Standards.

QUESTION NO: 44

The project manager leading a company's digital signature initiative for engineering drawings has identified threats and opportunities using a strengths, weaknesses, opportunities, and threats (SWOT) analysis.

What are two potential threats or opportunities under the SWOT analysis? (Choose two.)

A. The management team agreeing to include more resource for the digital signature initiative.

B. The organization's professional engineers having reservations about possible information tampering.

C. A growing number of competitors with digital signatures.

D. An elimination of manual steps associated with recording wet signatures

E. The growing adoption of mobile communications in the industry.

ANSWER: C E

Explanation:

"A growing number of competitors with digital signatures" is a threat because it is an external market condition that can affect the organization's competitive position. If competitors already offer mature digital-signature capabilities, the company may face pressure to accelerate delivery, meet higher customer expectations, or differentiate its solution. This is consistent with SWOT analysis, in which threats are external conditions that could negatively affect objectives.

“The growing adoption of mobile communications in the industry” is an opportunity because it is an external trend that can support wider use and acceptance of digital workflows. Increased mobile adoption can enable engineers, reviewers, and approvers to access, review, and sign drawings more conveniently, potentially increasing the initiative’s business value and adoption. Project risk management identifies and assesses both negative risks (threats) and positive risks (opportunities) so that the project team can plan appropriate responses. PMI describes project risk management as addressing uncertainty that may have positive or negative effects on project objectives. See PMI’s PMBOK® Guide and Standards and its overview of project risk management.

QUESTION NO: 45

A project manager is planning risk management activities for a project that will use several subcontractors. The project manager wants to establish clear accountability for risks that cross organizational boundaries.

What two actions should the project manager take? (Choose two.)

A. Define risk ownership and responsibilities

B. Document risk-related obligations and escalation paths in the contracts

C. Require the project manager to own every subcontractor risk

D. Remove subcontractor risks from the project risk register

E. Delay risk reviews until contract closeout

ANSWER: A B

Explanation:

Define risk ownership and responsibilities is appropriate because each significant risk needs an accountable owner who monitors the risk, implements assigned response actions, and communicates status. For cross-organizational risks, responsibilities should be explicit rather than assumed.

Document risk-related obligations and escalation paths in the contracts is also appropriate because subcontract agreements can establish reporting requirements, allocation of responsibility, notification timing, and authority for risk-related decisions. These actions support coordinated risk management while preserving clear governance among the participating organizations. See PMI’s PMBOK® Guide and Standards.

QUESTION NO: 46

A risk manager of a major project facilitates a meeting to develop the risk management plan. What two factors does the risk manager need to consider to ensure an effective risk management plan is developed? (Choose two.)

A. Applying modern risk management techniques.

B. Aligning to project constraints and priorities.

C. Ensuring risk response strategies mitigate all risks.

D. Minimizing implementation costs.

E. Obtaining stakeholder acceptance

ANSWER: B E

Explanation:

An effective risk management plan must be tailored to the project’s operating environment, rather than treated as a generic template. **Aligning to project constraints and priorities.** is essential because the plan establishes how risk work will be performed within the project’s available budget, schedule, resources, governance structure, delivery approach, and level of

uncertainty. This alignment helps the team apply an appropriately scaled risk process and focus effort on the risks that could most affect the project's intended outcomes.

Obtaining stakeholder acceptance
is also necessary because key stakeholders provide risk thresholds, expectations, decision authority, and support for the processes defined in the plan. Their acceptance promotes consistent participation in identifying, assessing, owning, responding to, monitoring, and reporting risks. It also helps ensure that escalation paths and risk-related decisions are recognized by the people accountable for project outcomes. PMI describes the risk management plan as a component of the project management plan that documents the approach to risk-management activities and should be tailored to the project context. See PMI's PMBOK Guide and Standards and the PMI-RMP certification overview.

QUESTION NO: 47

In a highly dynamic project environment, the project manager is known to have project risks as a permanent agenda item in their periodic project progress meetings. How will this help improve the project ' s risk management activities? (Choose 3)

A. By helping to monitor variances and trends frequently throughout the project

B. By helping to determine the overall project risks

C. By helping the lessons learned from previous risks to be efficiently utilized

D. By helping to update the project scope statement document

E. By helping update the risk register and close out expired risks

ANSWER: A C E

Explanation:

Keeping project risks as a standing item in progress meetings supports continuous risk monitoring, which is especially important when conditions change quickly. It enables the team to review risk indicators, triggers, exposure, and response effectiveness regularly, helping to monitor variances and trends throughout the project. This provides timely information for decisions and for adapting risk responses as the project's risk profile evolves.

Regular discussion also creates a practical feedback loop for efficiently utilizing lessons learned from previous risks. Team members can capture what occurred, how well responses performed, and what should be applied to current or future uncertainty. PMI recognizes lessons learned as organizational knowledge that should be collected and used to improve project work and future performance.

Finally, these recurring reviews keep the risk register current. The team can record changes to risk characteristics, response actions, ownership, status, and newly relevant information, while closing risks that have expired or are no longer applicable. A current risk register provides reliable information for ongoing monitoring and decision-making. See PMI's overview of risk management at PMI Project Risk Management and the PMI standards resources at PMI Standards and PMBOK® Guide.

QUESTION NO: 48

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:

Consider stakeholders' positions and opinions regarding the project's output. is the appropriate action because stakeholder engagement is an ongoing process of understanding stakeholder interests, expectations, influence, and perceptions, then adapting engagement and communication accordingly. In a community-facing solar-panel project, stakeholders may evaluate the intended outputs differently: residents may focus on affordability and local impacts, utility companies on grid integration, officials on permits and public-policy objectives, and investors on expected benefits. Actively considering these perspectives enables the project manager to identify concerns early, build support, tailor communication, and make informed decisions about how project outputs will be received and used. This is especially important where stakeholders can affect approvals, adoption, implementation conditions, or the project's perceived success. PMI's project management guidance identifies stakeholders as people, groups, or organizations that may affect, be affected by, or perceive themselves to be affected by a project, and emphasizes proactive engagement to address their needs and expectations. See PMI's stakeholder management guidance and the PMBOK® Guide and Standards.

QUESTION NO: 49

A project manager receives the results of a Monte Carlo schedule simulation. The sponsor asks what information can be used to establish a realistic completion commitment and determine where management attention is needed.

What two outputs should the project manager use? (Choose two.)

A. The probability of achieving specific completion dates.

B. The activities or assumptions with the greatest influence on the schedule outcome.

C. The identity of the project sponsor.

D. The final list of approved project changes.

E. The number of completed work packages.

ANSWER: A B

Explanation:

The probability of achieving specific completion dates is a key simulation output because it shows the confidence associated with each potential completion date. For example, a planned date with a 50% likelihood may be unsuitable for a commitment, while a later date with an 80% or 90% likelihood may better align with stakeholder risk tolerance.

The activities or assumptions with the greatest influence on the schedule outcome are also useful because sensitivity analysis can identify the principal drivers of overall schedule risk. Management can focus mitigation, contingency planning, data validation, and decision-making on the inputs that have the greatest effect on the result. PMI recognizes simulation and sensitivity analysis as quantitative risk-analysis techniques that support probability-based forecasting and prioritization of critical risk drivers. See PMI's PMBOK® Guide and Standards and Risk Management standards resources.

QUESTION NO: 50

During qualitative risk analysis you want to define the risk urgency assessment. All of the following are indicators of risk priority except for which one?

A. Cost of the project

B. Risk rating

C. Warning signs

D. Symptoms

ANSWER: A

Explanation:

Cost of the project is the correct exception because it is a general project characteristic, not an indicator used to determine the urgency of an individual risk. Risk urgency assessment is performed during qualitative risk analysis to identify risks that require action sooner rather than later. The assessment considers attributes of the specific risk and its response needs, such as the risk's rating, the time until the risk may affect project objectives, the lead time needed to implement a response, and observable symptoms or warning signs. These inputs help the project team distinguish risks needing prompt attention from those that can be monitored or addressed later.

Although project cost can provide important context for overall project governance and may influence the scale of risk-management effort, it does not itself indicate whether a particular risk is imminent or requires an urgent response. Urgency must be based on the timing, visibility, and response requirements associated with the risk event. PMI describes qualitative risk analysis as prioritizing risks for further analysis or action by assessing their probability and impact along with other characteristics. See PMI's standards and guides overview and its project management lexicon.

QUESTION NO: 51

A project team is developing a software system for a financial organization and is conducting a failure modes and effects analysis (FMEA) to identify and evaluate potential failure points. The risk manager must guide the team on how to prioritize risks based on FMEA results for effective risk management.

What should the risk manager do?

A. Direct the team to prioritize risks based solely on their likelihood to streamline the analysis.

B. Encourage the team to focus on documenting the most severe FMEA risks and disregard others.

C. Emphasize technical faults within the system as the highest priority for risk response planning.

D. Advise the team to prioritize risks using severity, occurrence, and detection ratings.

ANSWER: D

Explanation:

Advise the team to prioritize risks using severity, occurrence, and detection ratings. FMEA is a structured, preventive analysis technique that evaluates each potential failure mode according to the seriousness of its effect, the likelihood or frequency of its occurrence, and the ability of existing controls to detect it before it reaches the customer or causes harm. Considering these dimensions together gives the team a defensible, consistent basis for determining which failure modes require the most urgent attention and where to focus preventive controls, testing, monitoring, or contingency actions.

For a financial software system, this approach is especially useful because failures can differ substantially in business impact, probability, and detectability. A rare failure involving unauthorized transactions, for example, may warrant strong attention because of its potential severity and difficulty of detection. The ratings can be combined in a traditional risk priority number calculation or evaluated through an organization's defined action-priority method; in either case, the severity, occurrence, and detection assessments provide the essential FMEA inputs for prioritization. This supports evidence-based risk management and clear follow-through on the most significant potential failure modes. See the American Society for Quality's FMEA overview and PMI's risk management standard resources.

QUESTION NO: 52

The trigger for a highly categorized threat has occurred. The risk has a set response plan.

Who is responsible for developing responses to risk and monitoring the implementation status of the risk response?

A. Product Manager

B. Risk Action Owner

C. Risk Owner

D. Project Manager

ANSWER: C

Explanation:

Risk Owner is correct because PMI assigns this individual accountability for a specific identified risk throughout its life cycle. This includes evaluating the risk, helping develop or select an appropriate response strategy, and ensuring that the planned response is implemented and remains effective. Once the threat trigger occurs, the risk owner monitors execution of the agreed response plan, tracks its implementation status, assesses whether it is producing the intended result, and escalates or recommends adjustments when conditions or residual risk require further action.

This accountability is especially important for a significant threat with a predefined response plan: activating a plan is not the end of risk management. The risk owner maintains visibility of the threat and the response outcome so that the project can make timely decisions and keep stakeholders informed. PMI's terminology describes a risk owner as the person responsible for monitoring a risk and selecting and implementing an appropriate risk response. The role therefore directly covers both response planning responsibility and oversight of response implementation. See PMI's Lexicon of Project Management Terms and its PMBOK® Guide and Standards resources.

QUESTION NO: 53

A project lihat was in the execution phase for the last six months was put on hold and was eventually cancelled after numerous scope related challenges. It was decided to re-plan the scope and divide the project into multiple projects to have better insight into end objectives. As part of the project start up. the project manager is developing the risk planning for the project.

What three artifacts should the project manager consult or review during this process? (Choose three.)

A. Project contracts

B. Lessons learned registers from analogous projects

C. Risk register

D. Project management plan

E. Code of regulations

ANSWER: A B D

Explanation:

Risk-management planning establishes the approach, roles, funding, timing, categories, thresholds, reporting, and governance that will be used to manage uncertainty throughout the project. The **Project management plan** is an essential planning input because its approved subsidiary plans and baselines provide the context needed to tailor risk-management activities to the project's delivery approach, scope, schedule, resources, and procurement strategy. The risk management plan itself is produced by this planning work, so the option has been corrected to identify the applicable input artifact.

Project contracts should be reviewed because contractual commitments, acceptance criteria, allocation of liability, warranties, payment terms, change provisions, and termination clauses materially shape both threats and opportunities. These terms help the project manager determine the risk-management approach and appropriate escalation or ownership arrangements. **Lessons learned registers from analogous projects** provide organizational knowledge about risk sources, triggers, response effectiveness, and governance practices encountered in comparable work. Using this historical information supports tailoring the risk approach to known conditions rather than starting from a blank slate.

PMI identifies the project management plan, organizational process assets such as lessons learned, and relevant project information as key sources for planning project work and tailoring risk practices. See PMI's PMBOK® Guide and Standards and PMI's guidance on lessons learned.

QUESTION NO: 54

A project team is using a probability-and-impact matrix to prioritize threats. The risk manager wants to reduce inconsistent scoring caused by different interpretations among team members.

What two actions should the risk manager take? (Choose two.)

A. Define probability and impact scales with clear criteria

B. Facilitate calibration discussions with relevant subject matter experts

C. Assign the same score to all risks in a category

D. Use only the opinion of the project sponsor

E. Eliminate impact ratings for low-probability risks

ANSWER: A B

Explanation:

Define probability and impact scales with clear criteria is appropriate because common definitions reduce subjective interpretation. For example, impact criteria can specify measurable effects on schedule, cost, quality, safety, or compliance at each rating level.

Facilitate calibration discussions with relevant subject matter experts is also appropriate because the team can compare interpretations, test ratings against available evidence, and reach a consistent understanding of the scales. These actions improve the reliability of qualitative analysis while recognizing that expert judgment remains an important input. See PMI's PMBOK® Guide and Standards.

QUESTION NO: 55

A Scrum team has recently lost its product owner to another team. A new product owner has been hired for the Scrum team. This product owner is currently new to the project, unfamiliar with the team ' s practices, and does not have a full grasp of the product users. After a few sprints, the product owner is receiving constructive feedback from both internal and external stakeholders related to the direction of the product and its current challenges.

What can the product owner do to improve the product ' s perception among stakeholders and ensure the team understands the product vision? (Choose 2)

A. Re-assess the product goal, place it on the product backlog, and explain it to the team.

B. Invite more stakeholders to the daily scrum meetings to voice their opinion of the product.

C. Create sprint goals and communicate them at the sprint planning event.

D. Invite product teams to more frequent reviews to observe the team ' s work and encourage feedback.

E. Invite stakeholders to the sprint retrospective to brainstorm with the team improvements.

ANSWER: A C

Explanation:

"Re-assess the product goal, place it on the product backlog, and explain it to the team" is appropriate because the Product Goal is the Product Backlog's commitment and describes a future state of the product that gives the Scrum Team a shared longer-term target. A new product owner should use the stakeholder feedback to validate or refine that goal, make it transparent in the Product Backlog, and ensure the team understands how current work contributes to it. This establishes a coherent product direction rather than merely responding to isolated requests.

"Create sprint goals and communicate them at the sprint planning event" is also appropriate because a Sprint Goal provides a single, near-term objective for the Sprint. During Sprint Planning, the Scrum Team aligns on why the Sprint is valuable and how selected backlog work supports progress toward the Product Goal. Clear Sprint Goals make the product direction actionable for the team and create an understandable basis for discussing progress and outcomes with stakeholders. Together, an explicit Product Goal and visible Sprint Goals connect stakeholder feedback, backlog decisions, and delivery focus. The Scrum framework defines these commitments and events in the Scrum Guide; PMI also discusses product vision, stakeholder collaboration, and iterative feedback in its Agile Practice Guide resources.

QUESTION NO: 56

Which of the following describes a difference between qualitative and quantitative risk analysis?

A. Quantitative risk analysis addresses individual risks descriptively; qualitative risk analysis predicts likely project outcomes based on combined effects of risks.

B. Quantitative risk analysis adds to the risk register, qualitative risk analysis leads to quantitative risk analysis.

C. Quantitative risk analysis prioritizes individual risks for subsequent treatment, qualitative risk analysis leads to quantitative risk analysis.

D. Qualitative risk analysis addresses individual risks descriptively; quantitative risk analysis predicts likely project outcomes based on combined effects of risks.

ANSWER: D

Explanation:

“Qualitative risk analysis addresses individual risks descriptively; quantitative risk analysis predicts likely project outcomes based on combined effects of risks.” is correct because the two approaches serve distinct but complementary purposes. Qualitative risk analysis evaluates identified individual risks using descriptive ratings, typically considering probability, impact, urgency, and other relevant characteristics. This assessment supports risk prioritization and informs which risks merit further analysis or response planning. Quantitative risk analysis instead uses numerical methods and data to assess the aggregate effect of uncertainty on overall project objectives, such as cost and schedule. For example, simulation or decision-tree analysis can estimate a range of possible completion dates or total project costs, along with their associated probabilities. Thus, qualitative analysis focuses on characterizing and prioritizing individual risks, while quantitative analysis provides a numerical view of the combined uncertainty affecting project-level outcomes. PMI recognizes both as risk-analysis practices that help project teams make informed decisions appropriate to the project’s uncertainty, data quality, and analytical needs. See PMI’s PMBOK® Guide and Standards resources and the PMI Lexicon of Project Management Terms.

QUESTION NO: 57

A project team identifies an opportunity to reduce manufacturing cost by using a supplier's proprietary production process. The opportunity can only be realized if the supplier commits resources and shares responsibility for achieving the cost reduction.

Which opportunity response strategy should the project manager use?

A. Accept

B. Share

C. Enhance

D. Exploit

ANSWER: B

Explanation:

Share is correct because the opportunity requires a third party with specialized capability to participate in realizing the benefit. Sharing involves allocating ownership of an opportunity to a party best able to capture the benefit, often through a partnership, joint venture, incentive arrangement, or other agreement that enables both parties to benefit from the opportunity.

In this situation, the supplier controls the proprietary process and must provide resources to make the cost reduction possible. The project manager should establish suitable commercial and governance arrangements, define responsibilities, and monitor whether the expected benefit is achieved. Exploit would seek to ensure that the opportunity occurs through direct project action, while enhance would increase its probability or positive impact. PMI recognizes share as an opportunity response strategy when a third party is best positioned to realize the opportunity. See PMI's PMBOK® Guide and Standards.

QUESTION NO: 58

A project director requests a concise risk report for a steering committee meeting. The committee needs information that will support decisions about funding, priorities, and escalation.

What information should the risk manager include?

A. The overall project risk exposure and the status of priority individual risks.

B. Only the risks that have already materialized as issues.

C. A complete record of all workshop discussions.

D. Detailed task assignments for every risk owner.

ANSWER: A

Explanation:

The overall project risk exposure and the status of priority individual risks is correct because steering committees require decision-relevant information rather than a detailed listing of every register entry. Overall project risk communicates the combined effect of uncertainty on project objectives, while priority individual risks identify the threats and opportunities that may require management action, funding, acceptance, or escalation.

The report should also communicate trends, significant changes, response status, threshold breaches, and decisions required when relevant. This allows the steering committee to understand whether exposure is within the organization's risk appetite and whether the project team has sufficient authority and resources to manage it. PMI describes risk reports as providing information on sources of overall project risk and on summarized information about identified individual project risks. See PMI's PMBOK® Guide and Standards.

QUESTION NO: 59

You are the project manager of QSL project for your organization. You are working with your project team and several key stakeholders to create a diagram that shows how various elements of a system interrelate and the mechanism of causation within the system. What diagramming technique are you using as a part of the risk identification process?

A. Predecessor and successor diagramming

B. System or process flowcharts

C. Cause and effect diagrams

D. Influence diagrams

ANSWER: B

Explanation:

System or process flowcharts is correct because this technique maps a system or process visually, making the relationships among its elements and the paths through which effects arise easier to examine. In risk identification, the project team can follow the flow of work, information, decisions, inputs, and outputs to locate points where uncertainty may occur. This helps reveal potential sources of risk and understand the causal mechanisms by which an event or condition in one part of the system may affect another part.

PMI identifies diagramming techniques as useful tools for risk identification. A system or process flowchart is particularly suited to analyzing how components interrelate within an operational workflow or broader system. Building the diagram collaboratively with knowledgeable stakeholders also improves the completeness of risk identification because participants can validate actual process behavior, dependencies, handoffs, and potential failure paths. The resulting visual model supports a more systematic examination of risk sources before they are documented in the risk register. PMI's foundational standards and terminology resources are available through the PMBOK® Guide and Standards page and the PMI Lexicon of Project Management Terms.

QUESTION NO: 60

A risk manager has noticed that response actions are not working as expected when a risk occurs, mainly because the risk triggers are not well-defined. Which tool should the risk manager use to facilitate risk trigger identification in the upcoming risk review assessment?

A. Risk burndown chart

B. Ishikawa diagram

C. Risk breakdown structure (RBS)

D. Affinity diagram

ANSWER: B

Explanation:

Ishikawa diagram is the appropriate tool because it supports structured cause-and-effect analysis. Also called a fishbone or cause-and-effect diagram, it helps the risk manager work with the project team to trace an observed risk event or ineffective response back through contributing conditions, sources, and causal relationships. This makes it easier to identify the specific, observable conditions that should serve as risk triggers—for example, a measurable schedule variance, a supplier quality threshold, or a failure of a technical test. Clear triggers enable the team to recognize that a risk is imminent or has occurred and to execute the planned contingency or response promptly. During a risk review, the diagram can organize discussion around relevant cause categories and reveal trigger conditions that may have been omitted from the risk register. PMI's risk-management guidance emphasizes identifying risk causes and conditions so that risks can be monitored and responses can be implemented effectively. PMI describes its current project-management standard and supporting guidance at PMI Standards and PMBOK® Guide. PMI also provides risk-management standards and practice resources at Risk Management.

QUESTION NO: 61

The Project Risk Management knowledge area focuses on which of the following processes? Each correct answer represents a complete solution. Choose all that apply.

A. Quantitative Risk Analysis

B. Risk Monitoring and Control

C. Potential Risk Monitoring

D. Risk Management Planning

ANSWER: A B D

Explanation:

Project Risk Management includes the work of establishing a disciplined approach to risk, analyzing the possible effects of uncertainty, and tracking risks throughout the project. **Risk Management Planning** is correct because it establishes how risk management activities will be performed, including methodology, roles, funding, timing, risk categories, stakeholder risk appetite, and reporting. This plan provides the basis for consistent risk-related decisions across the project life cycle.

Quantitative Risk Analysis is correct because it uses numerical analysis to evaluate the combined effect of identified risks on overall project objectives, such as schedule duration or cost. It supports decisions where a probabilistic view of exposure, contingency, or confidence levels is needed.

Risk Monitoring and Control is correct because risk management is continuous. The project team monitors identified risks, watches for triggers and new risks, evaluates whether response actions remain effective, and updates risk information and related plans as conditions change. PMI's current process terminology uses "Monitor Risks"; earlier PMBOK editions used closely related monitoring-and-control terminology. PMI describes risk management as addressing uncertainty that can affect project objectives and maintaining risk activities over the project's life cycle. See PMI's Practice Standard for Project Risk Management and the PMBOK® Guide and Standards.

QUESTION NO: 62

An international telecommunications company is preparing to launch a new service across multiple regions. The project team is concerned about the varied technical issues and regulatory challenges in each region. The risk manager is tasked with identifying and analyzing risks to prioritize them based on their potential impact.

Which two actions should the risk manager take? Choose two.

A. Assign risks to the most tenured team members for assessment.

B. Engage with local experts to understand region-specific constraints.

C. Model one region and then follow the same strategy in all regions.

D. Apply a common risk matrix across all regions.

E. Develop a customized risk matrix for each region.

ANSWER: B E

Explanation:

“Engage with local experts to understand region-specific constraints.” is correct because effective risk identification and analysis depend on credible, context-specific information. Local telecommunications engineers, regulatory and legal specialists, compliance staff, suppliers, and operational representatives can identify conditions that materially affect probability, impact, and urgency, including licensing obligations, spectrum rules, data-residency requirements, infrastructure capability, local security concerns, and market-operating constraints. This supports PMI’s principle that risk work draws on relevant stakeholder and subject-matter expertise rather than relying only on centralized assumptions.

“Develop a customized risk matrix for each region.” is also correct because a risk matrix must use probability and impact definitions that meaningfully represent the decision context. The same regulatory delay, technology failure, or privacy issue can have substantially different consequences across jurisdictions. Tailoring regional assessment criteria enables risks to be prioritized according to locally applicable thresholds, consequences, and constraints. The resulting assessments can still be normalized or summarized through an enterprise reporting framework for portfolio-level visibility. PMI describes risk as uncertainty that can affect objectives and emphasizes tailoring project-management approaches to the environment in which the work is performed. See PMI’s Lexicon of Project Management Terms and its Risk Management standard resources.

QUESTION NO: 63

Mary is the project manager for the BLB project. She has instructed the project team to assemble, to review the risks. She has included the schedule management plan as an input for the quantitative risk analysis process. Why is the schedule management plan needed for quantitative risk analysis?

A. Mary will schedule when the identified risks are likely to happen and affect the project schedule.

B. Mary will utilize the schedule controls and the nature of the schedule for the quantitative analysis of the schedule.

C. Mary will use the schedule management plan to schedule the risk identification meetings throughout the remaining project.

D. Mary will utilize the schedule controls to determine how risks may be allowed to change the project schedule.

ANSWER: B

Explanation:

“Mary will utilize the schedule controls and the nature of the schedule for the quantitative analysis of the schedule.” is correct because the schedule management plan establishes the approach, rules, and control thresholds used to develop, manage, and control the project schedule. Quantitative risk analysis uses numerical techniques, such as simulation and sensitivity analysis, to evaluate the combined effect of uncertainty and individual risks on schedule objectives. To interpret and use those results appropriately, the team needs the established schedule-control approach and an understanding of the schedule’s characteristics, including its structure, dependencies, critical or near-critical paths, assumptions, and reporting

expectations. This context supports a meaningful analysis of schedule uncertainty and helps determine how schedule contingency and risk-informed forecast information should be assessed and communicated. The plan therefore provides governance for evaluating schedule-related risk exposure rather than merely identifying when a risk might occur. PMI describes schedule management planning as defining how the schedule will be developed, monitored, and controlled; this information supports disciplined analysis and decision-making when risk modeling indicates potential effects on completion dates. See PMI's overview of project scheduling practices at PMI: Schedule Management Plan and PMI's risk-management resources at PMI: Project Risk Management.

QUESTION NO: 64

The risk manager for an IT project developing a software application has a major stakeholder concerned that the project will not conclude within the available funding. The risk manager found delays in the iterations and increments in the project ' s budget, potentially increasing the duration by two weeks.

What tools should the risk manager use to properly decide the risk of not finishing the project within the budget?

A. Stakeholder management and communication tools

B. Team performance reports and analysis tools

C. Schedule management tools (i.e., Gantt Charts)

D. Estimation and probability analysis tools (i.e. Monte Carlo simul-ations)

ANSWER: D

Explanation:

Estimation and probability analysis tools (i.e. Monte Carlo simul-ations) are appropriate because the concern is not merely whether a delay exists, but the likelihood that combined uncertainty in iterative delivery, duration, and cost will cause the project to exceed its available funding. Quantitative risk analysis uses numerical models to evaluate uncertainty and express exposure as probabilities and distributions. A Monte Carlo simulation repeatedly samples from plausible ranges for activity durations, cost estimates, productivity, and other uncertain inputs, producing a range of possible completion dates and total project costs. The risk manager can then determine the probability of completing within the approved budget, identify an appropriate cost contingency or management reserve, and communicate confidence levels to the stakeholder. This approach is particularly valuable for an IT project with iterations and increments, where small variations across multiple delivery cycles can accumulate into material schedule and budget impacts. PMI identifies quantitative risk analysis as a method for numerically analyzing the combined effect of identified risks and other sources of uncertainty on project objectives. See PMI's quantitative risk analysis overview and the PMI standard for risk management.

QUESTION NO: 65

Jeff works as a project manager for BlueWell Inc. He is determining which risks can affect the project. Which of the following are the inputs to the identify risks process that Jeff will use to accomplish the task? Each correct answer represents a complete solution. Choose all that apply.

A. Scope baseline

B. Activity cost estimates

C. Risk register

D. Risk management plan

ANSWER: A B D

Explanation:

The correct inputs are **Scope baseline**, **Activity cost estimates**, and **Risk management plan**. Identifying risks is performed by reviewing available project information to determine which uncertain events or conditions could affect

objectives. The scope baseline supplies the approved scope statement, work breakdown structure, and WBS dictionary. These artifacts clarify project boundaries, deliverables, assumptions, and constraints, helping the team recognize scope-related uncertainty. Activity cost estimates provide information about anticipated resource and work costs; they can reveal uncertainty arising from estimate accuracy, market conditions, pricing, resource availability, or funding. The risk management plan establishes the approach for conducting risk activities, including roles, categories, probability and impact definitions, and reporting conventions. It therefore guides how identified risks are documented and assessed. In the PMBOK process structure reflected by this question, the risk register is produced and progressively updated through risk-management work rather than serving as the primary input to the initial Identify Risks process. PMI emphasizes that risk management is systematic and iterative throughout the project life cycle; therefore, these planning and project-document inputs give the project manager a structured basis for recognizing risks early and revisiting them as information changes. See PMI's PMBOK Guide and Standards and PMI Risk Management Professional (PMI-RMP) resources.

QUESTION NO: 66

You are the project manager of the NNH project. In this project you have created a contingency response that the cost performance index should be less than 0.93. The NHH project has a budget at completion of $945,000 and is 45 percent complete - though the project should be 49 percent complete. The project has spent $455,897 to reach the 45 percent complete milestone. What is the project's cost performance index?

A. 1.06

B. 0.92

C. -$30,647

D. 0.93

ANSWER: D

Explanation:

The correct answer is **0.93**. Cost performance index (CPI) measures the cost efficiency of work performed and is calculated as earned value (EV) divided by actual cost (AC): CPI = EV / AC. Earned value is based on the budgeted value of the work actually completed, not on the amount of work that was planned to be complete. Since the project is actually 45% complete, its EV is 45% of the $945,000 budget at completion: $945,000 × 0.45 = $425,250. The actual cost is $455,897. Therefore, CPI = $425,250 / $455,897 = 0.9328, which rounds to 0.93. A CPI below 1.00 indicates that the project is receiving less than one dollar of budgeted value for each dollar spent; in this case, spending is slightly inefficient. The statement that the project should have been 49% complete is relevant to schedule performance analysis, but it does not change the CPI calculation because CPI uses actual completed work to determine EV. PMI describes earned value analysis as integrating scope, schedule, and cost measures to assess project performance. See PMI's earned value management overview and PMI's PMBOK Guide and Standards resources.

QUESTION NO: 67

A major data center initiative involves performing a sensitivity analysis to determine the center ' s required amount of disaster recovery. Several key stakeholders are in disagreement about which level of disaster recovery is required. The lessons learned disaster recovery plans, and the difference for this data center is its geographical location and unique climate requirements. The database includes examples from previous similar initiatives, as well as the competitor ' s advertised plans.

What should the risk manager do to quantify the risk?

A. Initiate a 360-degree assessment.

B. Consult environmental enterprise factors for benchmarks.

C. Review organizational process assets for guidance.

D. Consider leveraging the Delphi technique.

ANSWER: D

Explanation:

“Consider leveraging the Delphi technique.” is correct because the central challenge is obtaining defensible quantitative inputs where knowledgeable stakeholders hold differing views about the required disaster-recovery level. The Delphi technique is a structured expert-elicitation method in which experts provide estimates independently and anonymously. A facilitator summarizes the results, shares controlled feedback, and conducts further rounds until the range of estimates narrows or a consensus estimate is reached. This limits the influence of seniority, forceful personalities, and groupthink—important safeguards when disaster-recovery expectations may be shaped by competing operational, cost, climate, and location concerns.

The resulting consensus estimates can be used as inputs to the sensitivity analysis, such as estimates of recovery needs, likelihoods, costs, or the relative effect of climate-specific assumptions. Historical plans and market information can inform the experts’ judgments, but the Delphi process is what systematically resolves divergent expert assessments into a more objective basis for quantitative risk analysis. PMI recognizes expert judgment and structured information-gathering approaches as important in project risk work, while the Delphi method is widely used to reduce bias in expert-based estimates. See PMI’s PMI Lexicon of Project Management Terms and ISO’s overview of ISO 31000 risk-management guidance.

QUESTION NO: 68

The project manager generates a monthly risk report for key stakeholders which documents high and medium risk items only. Where would the project manager find the list of recipients for the report?

A. Communications management plan

B. Risk management plan

C. Risk register

D. Project charter

ANSWER: A

Explanation:

The **Communications management plan** is the appropriate source because it defines how project information will be communicated to stakeholders. For a monthly risk report, this plan documents the communication requirements: the information to be distributed, its purpose and required level of detail, the format or method used, its frequency, and the individuals or stakeholder groups who are to receive it. Therefore, the project manager can use the plan to identify the approved recipient list for a report focused on high- and medium-priority risks.

This approach ensures that risk information is provided consistently to the people who need it for oversight, decisions, escalation, or action, while respecting stakeholder communication needs. The communications management plan also provides a basis for tailoring the report’s content and distribution as stakeholder needs or project conditions change. PMI describes project communications management as ensuring timely and appropriate planning, creation, distribution, storage, retrieval, management, monitoring, and disposition of project information. See PMI’s overview of effective project communications and its PMBOK Guide and standards resources.

QUESTION NO: 69

A risk manager is developing probability-and-impact scales for a project with strict schedule, cost, quality, and regulatory objectives.

What two considerations should be incorporated into the scales? (Choose two.)

A. Definitions of impact for each relevant project objective.

B. The organization's risk appetite and risk thresholds.

C. The personal risk preferences of individual team members.

D. The number of risks currently open in the register.

E. The sequence in which risks were identified.

ANSWER: A B

Explanation:

Definitions of impact for each relevant project objective should be incorporated because a cost impact, schedule delay, quality failure, and regulatory breach may have different levels of significance. Clear definitions allow the team to assess risks consistently and to distinguish between minor, moderate, and severe effects.

The organization's risk appetite and risk thresholds should also be incorporated because the scales must reflect the level of exposure that stakeholders are willing to accept. A strict regulatory or safety environment may classify a relatively small compliance impact as high severity, while a less critical objective may have a higher tolerance. Tailored scales support consistent prioritization, escalation, and response planning. PMI emphasizes defining probability and impact criteria in a manner that is aligned with the project context and organizational risk thresholds. See PMI's PMBOK® Guide and Standards and PMI Lexicon of Project Management Terms.

QUESTION NO: 70

A risk manager is reviewing entries in a newly developed risk register. Several entries are written as general concerns, such as “supplier performance” and “cybersecurity.”

What two elements should be added to make the entries more useful for risk analysis and response planning? (Choose two.)

A. The uncertain event or condition.

B. The potential effect on project objectives.

C. The names of all project stakeholders.

D. The approved project budget.

E. The final lessons learned report.

ANSWER: A B

Explanation:

The uncertain event or condition is necessary because a risk must describe what may happen, rather than only naming a broad topic or category. For example, “supplier performance” becomes more actionable when the register identifies an uncertain event such as a supplier failing to deliver a critical component by the required date.

The potential effect on project objectives is also required because it connects the uncertain event to a consequence, such as a schedule delay, cost increase, quality failure, or missed benefit. A clear cause-event-effect structure helps the team assess probability and impact, assign ownership, identify triggers, and select proportionate responses. PMI defines a risk as an uncertain event or condition that, if it occurs, has a positive or negative effect on one or more project objectives. See the PMI Lexicon of Project Management Terms and The Standard for Risk Management in Portfolios, Programs, and Projects.

QUESTION NO: 71

There is confusion among risk action owners on a project about when and under which conditions they should initiate risk responses. Project team members often need to consult with the risk manager to get this conflict resolved.

What should the risk manager do to resolve this recurring situation?

A. Review the stakeholders ' risk appetite.

B. Revisit the risk thresholds and triggers.

C. Update the risk response strategies.

D. Provide coaching to the risk action owners.

ANSWER: B

Explanation:

“Revisit the risk thresholds and triggers.” is correct because risk action owners need objective, pre-established decision criteria to know when to implement an assigned response. A risk threshold defines the level of exposure, variation, or impact that is unacceptable or requires management action. A trigger is a specific warning sign, event, condition, or metric that indicates a risk has occurred or is approaching the threshold at which the response must begin. If owners repeatedly need the risk manager to interpret when to act, the risk register and response plans do not provide sufficiently clear, measurable, or shared activation criteria.

The risk manager should facilitate review of the relevant thresholds and triggers with the appropriate owners and stakeholders, document any clarified criteria in the risk register and risk-response plans, and communicate them to the project team. Useful triggers are observable and actionable—for example, a defined schedule variance, a vendor’s missed milestone, or a specified probability-impact condition. This enables timely, consistent execution of contingency or other planned responses while preserving appropriate escalation paths. PMI describes risk management as including planning and implementing risk responses, supported by ongoing monitoring and control. See PMI’s Standard for Project Management and Practice Standard for Project Risk Management.

QUESTION NO: 72

A certain risk is identified for a major project, and the risk response is planned. However, the analysis reveals a high probability for a secondary risk which will be tolerated based on the organization's risk thresholds. The secondary risk is subsequently registered. During project execution, the primary risk occurs, the planned action is taken, and the secondary risk emerges

What two actions should the risk owner take? (Choose two.)

A. Implement the secondary risk response and update the project documents.

B. Conduct meeting with all stakeholder to agree on post impact solutions.

C. Set the corresponding trigger conditions to the secondary risk.

D. Engage the project manager to authorize the secondary risk's response.

E. Update and communicate assessments of the secondary risk's impact.

ANSWER: A E

Explanation:

Once the primary risk occurs and its planned response is executed, the identified secondary risk has materialized. The risk owner should implement the secondary risk response and update the project documents. In this case, tolerance reflects the organization’s approved risk threshold and is an acceptance-based response approach. Implementing that approach means managing the now-current condition in accordance with the agreed risk strategy, monitoring its effects, and recording the outcome and any resulting changes in the risk register and other applicable project records. This maintains traceability between the original risk, its response, and the secondary risk that emerged.

The risk owner should also update and communicate assessments of the secondary risk’s impact. Risk information must remain current as conditions change, especially when a previously anticipated secondary risk becomes an actual project condition. Updating probability and impact information as appropriate, documenting the realized impact, and communicating relevant status to stakeholders supports timely, risk-informed decisions within the organization’s established thresholds. These activities align with PMI’s emphasis on continuously monitoring risks, evaluating their effects, and communicating risk information throughout project work. See PMI’s Risk Management in Portfolios, Programs, and Projects and The Standard for Project Management.

QUESTION NO: 73

A risk manager for a large project has completed documenting the risk management plan. The project is moving from planning to execution.

Which three actions should the risk manager take to ensure the risk management plan remains effective during the project timeframe? (Choose 3)

A. Monitor identified risks for triggers or occurrence and implement planned risk responses as appropriate.

B. Regularly check and report on the status of risks identified according to their prioritization.

C. Monitor the status and oversee execution of the risk response plan for each identified risk.

D. Ensure management reserves are sufficient to cover the mitigation plans for all identified risks.

E. Allocate and lock in project resources according to the initial risk prioritization for all identified risks.

ANSWER: A B C

Explanation:

During execution, risk management becomes an ongoing control activity rather than a one-time planning deliverable. “Regularly check and report on the status of risks identified according to their prioritization” supports continuous monitoring of risk exposure, trends, and the continuing relevance of priority ratings. This provides decision-makers with timely information for escalation and action. “Monitor the status and oversee execution of the risk response plan for each identified risk” ensures that approved response actions are actually performed, remain effective, and can be adjusted when conditions or risk exposure change. “Monitor identified risks for triggers or occurrence and implement planned risk responses as appropriate” connects risk monitoring to action: the project team watches for defined warning signs and executes the agreed response when a risk materializes or its trigger is observed. Together, these practices maintain the risk register and risk report as living project documents and help ensure responses are applied at the appropriate time. PMI’s risk-monitoring work includes tracking risk metrics and trends, monitoring response activities, and updating risk information throughout the project life cycle. See PMI’s PMI Risk Management Professional (PMI-RMP) certification information and the PMI Standard for Project Management.

QUESTION NO: 74

A project has a S0S4 chance of a US$100 000 profit and a 40% chance of a US$100,000 loss. What is the expected mcnetary value for this project?

A. US$20.000 loss

B. US$20,000 profit

C. US$40,000 loss

D. US$100,000 profit

ANSWER: B

Explanation:

US$20,000 profit is the expected monetary value (EMV). The question’s corrupted probability text is interpreted as a 60% chance of a US$100,000 profit, which is also consistent with the stated 40% chance of loss because the two mutually exclusive outcomes total 100%. EMV is calculated by multiplying each possible outcome by its probability and then adding the resulting weighted values. The profit outcome contributes US$60,000: 0.60 × US$100,000. The loss outcome contributes negative US$40,000: 0.40 × −US$100,000. Adding these values gives US$20,000. Therefore, across many comparable instances of this decision, the average financial result would be a US$20,000 gain per project. In PMI risk management practice, EMV analysis supports quantitative risk analysis and decision-making by translating uncertain outcomes into a common monetary measure. The calculation does not predict that this exact profit will occur on one individual project; rather, it expresses the probability-weighted expected result. PMI describes quantitative risk analysis as numerically analyzing the

combined effect of identified risks on project objectives in its Standard for Risk Management in Portfolios, Programs, and Projects. See also PMI's overview of expected monetary value analysis.

QUESTION NO: 75

The project manager asks the risk manager to determine the initial risk assessment for a six month initiative that is about to kick-off. Which two artifacts will help the risk manager conduct the related analysis? (Choose two.)

A. Work breakdown structure (W&S)

B. Project organizational chart

C. Configuration management plan

D. Brainstorming

E. Monte Carlo analysis

ANSWER: A E

Explanation:

The **Work breakdown structure (W&S)** provides a structured decomposition of the project's total scope into deliverables and work packages. Reviewing the work at progressively lower levels helps the risk manager assess where uncertainty may arise, such as in technically complex deliverables, handoffs, dependencies, estimates, or resource needs. It also provides a practical structure for documenting and grouping identified risks by the affected area of scope.

Monte Carlo analysis supports the analytical portion of an initial risk assessment when the team needs to understand the combined effect of uncertainty on schedule or cost objectives. The technique runs many simulations using ranges or probability distributions for uncertain inputs, producing outcome probabilities rather than relying on a single deterministic forecast. For a six-month initiative, this can help communicate the likelihood of meeting the planned completion date and identify the level of contingency that may be appropriate. PMI identifies Monte Carlo simulation as a quantitative risk-analysis technique used to model the cumulative effects of uncertainty and risk on project objectives. See PMI's overview of Monte Carlo simulation in project risk analysis and PMI's PMBOK® Guide resources.

QUESTION NO: 76

Kelly is the project manager of the BHH project for her organization. She is completing the risk identification process for this portion of her project. Which one of the following is the only thing that the risk identification process will create for Kelly?

A. Risk register

B. Risk register updates

C. Change requests

D. Project document updates

ANSWER: A

Explanation:

Risk register is correct. Identifying risks is the process of determining which individual uncertainties may affect the project and documenting their characteristics. Its central result is the risk register: the project document that captures identified risks as they emerge. Initial entries commonly include a concise risk description, potential causes and effects, risk owner information when available, and preliminary response-related details. The register provides the traceable foundation for later risk analysis, response planning, response implementation, and monitoring activities. It is also a living project document, so it will be progressively elaborated as the team gains information about likelihood, impacts, ownership, triggers, and planned actions. In the terminology used by PMI editions that frame this question, the initial creation of this document is the direct output of the Identify Risks process. PMI describes risk management as the structured practice of identifying and managing uncertainty to improve project outcomes; maintaining a documented set of identified risks enables that work to continue

consistently throughout the project. See PMI's overview of project risk management practices and PMI's PMBOK® Guide and Standards resources.

QUESTION NO: 77

You are the project manager for TTP project. You are in the Identify Risks process. You have to create the risk register. Which of the following are included in the risk register? Each correct answer represents a complete solution. Choose two.

A. List of mitigation techniques

B. List of key stakeholders

C. List of identified risks

D. List of potential responses

ANSWER: C D

Explanation:

During Identify Risks, the risk register is the central project document used to record the risks that have been recognized and their initial characteristics. Therefore, a *List of identified risks* is a required initial component. Each entry should provide enough information to distinguish the risk clearly, such as its description, potential risk owner, and relevant causes, triggers, or affected areas when known. Recording these risks creates the basis for subsequent qualitative and quantitative analysis.

A *List of potential responses* is also included in the initial risk register where preliminary response ideas are identified. At this stage, these are not necessarily approved or fully developed response plans; they capture early actions or approaches that may be considered as the team learns more about the risk. The register is progressively elaborated throughout risk management, so response strategies, action owners, contingency actions, and other details can be refined during later processes. This approach supports traceability from risk identification through planning and implementation. PMI describes project risk management concepts and the progressive use of risk-related artifacts in its PMBOK® Guide and Standards resources and its Practice Standard for Project Risk Management.