edcetera engineering

Final Exam
Continuing Education Course #218
Managing Project Risk

1. Project risk management includes a variety of processes. Which of the following is not one of these?
- a. qualitative risk analysis
- b. risk identification
- c. risk elimination
- d. risk response planning

2. Uncertainty and risk are the same.
- a. true
- b. false

3. Risks can be divided into two basic types: pure risk and business risk. Which of the following is considered a business risk?
- a. liability loss
- b. direct property loss
- c. personnel related loss
- d. profit or loss

4. The Plan Process is the starting point for identifying risk.
- a. true
- b. false

5. Identifying risks involves determining which risks may affect the project and documenting their characteristics.
- a. true
- b. false

6. The factors that characterize project risk are:
- a. Risk Event and Probability of Occurrence
- b. What If, Then rule
- c. Risk Event, Probability of Occurrence, Amount at Stake
- d. All of the above

7. A risk event is an uncertain event or condition that, if it occurs, has only a negative effect on one or more project objectives
- a. true
- b. false

8. The What If, Then rule is a tool to _____risk.
- a. quantify
- b. control

○ c. identify
○ d. prioritize

9. The three main sources for identifying project risk are:
○ a. Risk History, data gathering, What if, Then rule
○ b. Risk History, data gathering, project environment
○ c. Risk History, brainstorming, Delphi Technique
○ d. Risk history, interviewing, SWOT analysis

10. The Work Breakdown Structure (WBS) is a common starting point in most projects because it describes the _____ of the project where risk could be found.
○ a. activities
○ b. deliverables
○ c. critical path
○ d. none of the above

11. Quantifying risk involves the process of assigning _____to the identified risks.
○ a. probability and impact
○ b. causes from the Cause Effect diagram
○ c. SWOT analysis
○ d. none of the above

12. The first step in quantifying risk is to analyze the risk based on its quality or character as opposed to its size or quantity. This is called the _____ approach.
○ a. numerical
○ b. qualitative
○ c. subjective
○ d. none of the above

13. A risk matrix compares the probability of risk occurring and compares it to its impact on the project objectives.
○ a. true
○ b. false

14. The calculation used to prioritize risks involves:
○ a. assigning numerical values to each cell in the matrix
○ b. creating a cause effect diagram with numbers
○ c. multiplying the numerical values of impact times probability
○ d. a and c
○ e. all of the above

15. A Risk Event is different than the definition of risk because its description must include the other factors namely, the Probability of Occurrence and Amount at Stake.
○ a. true
○ b. false

16. The Amount at Stake is the value of the investment of the decision to be made and involves_____.
○ a. increase in cost $
○ b. only greater loss $
○ c. increase or greater loss in cost $
○ d. none of the above

17. Objective probability has a finite number of outcomes. Subjective probability may have an infinite number of outcomes.

- a. true
- b. false

18. Expected Monetary Value is a number expressed in dollars that is a result of a statistical technique that presents the outcome when a risk may or may not happen. It is used to:

- a. prioritize risk
- b. determine size and intensity of the risk
- c. can be either negative or positive
- d. all of the above

19. A Decision Tree is a decision support tool using a tree-like graph of decisions and their possible consequences including chance event outcomes and resource costs.

- a. true
- b. false

20. Controlling project risk involves developing options and actions to enhance opportunities and minimize adverse consequences to project performance.

- a. true
- b. false

21. The following is not a risk option for controlling risk.

- a. ignore risk
- b. accept risk
- c. eliminate risk
- d. prevent risk
- e. transfer risk

22. Preventing risk involves reducing the probability of occurrence.

- a. true
- b. false

23. Subcontracting is a form of _____ risk.

- a. accepting
- b. ignoring
- c. transferring
- d. eliminating
- e. none of the above

24. In general, fixed price contracts have a lower risk for the buyer while cost reimbursable contracts have a lower risk for the seller.

- a. true
- b. false