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QUESTION & ANSWER



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Exam : **CRISC**

Title : Certified in Risk and
Information Systems Control

Version : DEMO

1.Which of the following is the MOST important reason to maintain key risk indicators (KRIs)?

- A. In order to avoid risk
- B. Complex metrics require fine-tuning
- C. Risk reports need to be timely
- D. Threats and vulnerabilities change over time

Answer: D

Explanation:

Threats and vulnerabilities change over time and KRI maintenance ensures that KRIs continue to effectively capture these changes.

The risk environment is highly dynamic as the enterprise's internal and external environments are constantly changing. Therefore, the set of KRIs needs to be changed over time, so that they can capture the changes in threat and vulnerability.

Incorrect Answers:

A: Risk avoidance is one possible risk response. Risk responses are based on KRI reporting, but is not the reason for maintenance of KRIs.

B: While most key risk indicator (KRI) metrics need to be optimized in respect to their sensitivity, the most important objective of KRI maintenance is to ensure that KRIs continue to effectively capture the changes in threats and vulnerabilities over time. Hence the most important reason is that because of change of threat and vulnerability overtime.

C: Risk reporting timeliness is a business requirement, but is not a reason for KRI maintenance.

2.You are the project manager of a HGT project that has recently finished the final compilation process.

The project customer has signed off on the project completion and you have to do few administrative closure activities. In the project, there were several large risks that could have wrecked the project but you and your project team found some new methods to resolve the risks without affecting the project costs or project completion date.

What should you do with the risk responses that you have identified during the project's monitoring and controlling process?

- A. Include the responses in the project management plan.
- B. Include the risk responses in the risk management plan.
- C. Include the risk responses in the organization's lessons learned database.
- D. Nothing. The risk responses are included in the project's risk register already.

Answer: C

Explanation:

The risk responses that do not exist up till then, should be included in the organization's lessons learned database so other project managers can use these responses in their project if relevant.

Incorrect Answers:

A: The responses are not in the project management plan, but in the risk response plan during the project and they'll be entered into the organization's lessons learned database.

B: The risk responses are included in the risk response plan, but after completing the project, they should be entered into the organization's lessons learned database.

D: If the new responses that were identified is only included in the project's risk register then it may not be shared with project managers working on some other project.

3.You are the project manager of GHT project. You have identified a risk event on your project that could save \$100,000 in project costs if it occurs.

Which of the following statements BEST describes this risk event?

- A. This risk event should be mitigated to take advantage of the savings.
- B. This is a risk event that should be accepted because the rewards outweigh the threat to the project.
- C. This risk event should be avoided to take full advantage of the potential savings.
- D. This risk event is an opportunity to the project and should be exploited.

Answer: D

Explanation:

This risk event has the potential to save money on project costs, so it is an opportunity, and the appropriate strategy to use in this case is the exploit strategy. The exploit response is one of the strategies to negate risks or threats appear in a project. This strategy may be selected for risks with positive impacts where the organization wishes to ensure that the opportunity is realized. Exploiting a risk event provides opportunities for positive impact on a project. Assigning more talented resources to the project to reduce the time to completion is an example of exploit response.

Incorrect Answers:

A, C: Mitigation and avoidance risk response is used in case of negative risk events, and not in positive risk events. Here in this scenario, as it is stated that the event could save \$100,000, hence it is a positive risk event. Therefore should not be mitigated or avoided.

B: To accept risk means that no action is taken relative to a particular risk; loss is accepted if it occurs. But as this risk event bring an opportunity, it should me exploited and not accepted.

4.You are the project manager of a large construction project. This project will last for 18 months and will cost \$750,000 to complete. You are working with your project team, experts, and stakeholders to identify risks within the project before the project work begins. Management wants to know why you have scheduled so many risk identification meetings throughout the project rather than just initially during the project planning.

What is the best reason for the duplicate risk identification sessions?

- A. The iterative meetings allow all stakeholders to participate in the risk identification processes throughout the project phases.
- B. The iterative meetings allow the project manager to discuss the risk events which have passed the project and which did not happen.
- C. The iterative meetings allow the project manager and the risk identification participants to identify newly discovered risk events throughout the project.
- D. The iterative meetings allow the project manager to communicate pending risks events during project execution.

Answer: C

Explanation:

Risk identification is an iterative process because new risks may evolve or become known as the project progresses through its life cycle.

Incorrect Answers:

A: Stakeholders are encouraged to participate in the risk identification process, but this is not the best choice.

B: Risk identification focuses on discovering new risk events, not the events which did not happen.

D: The primary reason for iterations of risk identification is to identify new risk events.

5. You are the risk official in Bluewell Inc. You are supposed to prioritize several risks. A risk has a rating for occurrence, severity, and detection as 4, 5, and 6, respectively.

What Risk Priority Number (RPN) you would give to it?

- A. 120
- B. 100
- C. 15
- D. 30

Answer: A

Explanation:

Steps involving in calculating risk priority number are as follows:

- Identify potential failure effects
- Identify potential causes
- Establish links between each identified potential cause
- Identify potential failure modes
- Assess severity, occurrence and detection
- Perform score assessments by using a scale of 1 -10 (low to high rating) to score these assessments.
- Compute the RPN for a particular failure mode as Severity multiplied by occurrence and detection.

$RPN = \text{Severity} * \text{Occurrence} * \text{Detection}$

Hence,

$$\begin{aligned} RPN &= 4 * 5 * 6 \\ &= 120 \end{aligned}$$

Incorrect Answers:

B, C, D: These are not RPN for given values of severity, occurrence, and detection.