

PMP Prep Test Bank - Planning Process Group Questions (Risk & Procurement)**Multiple Choice**

Identify the letter of the choice that best completes the statement or answers the question.

- _____ 1. Ishikawa or fishbone diagrams are also known as _____.
- System or process flow charts
 - Cause-and-effect diagrams
 - Root cause identification
 - Influence diagrams
 - SWOT analysis
- _____ 2. Elimination of the uncertainty associated with a particular upside risk by making the opportunity definitely happen is:
- Contingent response strategy
 - Exploitation
 - Enhancing
 - Sharing
 - Acceptance
- _____ 3. Changing the project management plan to eliminate the threat posed by an adverse risk is called:
- Avoidance
 - Mitigation
 - Acceptance
 - Contingent response strategy
 - Transference
- _____ 4. A _____ provides a structure that ensures a comprehensive process of systematically identifying risk to a consistent level of detail and contributes to the effectiveness and quality of Risk Identification.
- Timing
 - Methodology
 - Roles and responsibilities
 - Template
 - Risk category
- _____ 5. A _____ contract involves a unchangeable, except by integrated change control, total price for a well-defined product.
- Fixed price/lump sum contract
 - Cost-plus-incentive-fee contract
 - Cost-plus-fixed-fee contract
 - Time and material contract
 - Cost-plus-fee contract
- _____ 6. _____ modifies the “size” of an opportunity by increasing probability and/or positive impacts.
- Sharing
 - Enhancing
 - Acceptance
 - Exploitation
 - Contingent response strategy

- _____ 7. _____ is a diagram that describes alternatives under consideration and the implications of choosing one or another of the available alternatives.
- Modeling and simulation
 - Sensitivity analysis
 - Expected monetary value analysis
 - Decision tree
 - Three-point estimate
- _____ 8. _____ requires shifting the negative impact of a threat, along with ownership of the response, to a third party.
- Acceptance
 - Mitigation
 - Contingent response strategy
 - Avoidance
 - Transference
- _____ 9. Unknown risks _____ be managed proactively.
- Can
 - Cannot
 - Will
 - Should
 - Are always
- _____ 10. Which of the following is NOT an update to the risk register after risk response planning?
- Risk owners and assigned responsibilities
 - Contingency plans and triggers
 - Work performance information
 - Symptoms and warning signs of risks' occurrence
 - Residual risks
- _____ 11. Process of documenting project purchasing decisions, specifying the approach, and identifying potential sellers is known as:
- Plan procurements
 - Requisition
 - Make or buy analysis
 - Consideration declaration
- _____ 12. The _____ is the fundamental condition or event that may give rise to the identified risk.
- Scenario
 - Root cause
 - SWOT
 - Risk category
 - Cause-and-effect
- _____ 13. The _____ is a way to reach a consensus of experts, who participate in this anonymously.
- Interviewing
 - Checklist analysis
 - Delphi technique
 - Assumptions analysis
 - Influence diagrams

- _____ 14. In a _____ contract, the seller is reimbursed for allowable costs for performing the contract work and receives a predetermined fee, based upon achieving certain performance objective levels set in the contract.
- Cost-plus-fixed-fee contract
 - Cost-plus-fee contract
 - Cost-plus-incentive-fee contract
 - Time and material contract
 - Fixed price/lump sum contract
- _____ 15. Additional _____ can be identified and documented to support an assessment for a more complex product or service.
- References
 - Financial capacity
 - Proprietary rights
 - Source selection criteria
 - Standard forms
- _____ 16. _____ is the process of deciding how to approach and conduct the risk management activities for a project.
- Budgeting
 - Plan risk management
 - Contingency planning
 - Plan risk responses
 - Planning meetings
- _____ 17. This type of contract contains aspects of both cost-reimbursable and fixed-price type arrangements.
- Fixed price/lump sum contract
 - Cost-plus-incentive-fee contract
 - Cost-plus-fixed-fee contract
 - Time and material contract
 - Cost-plus-fee contract
- _____ 18. _____ is designed for use only if certain events occur.
- Transference
 - Contingent response strategy
 - Mitigation
 - Avoidance
 - Acceptance
- _____ 19. The _____ lists the categories and sub-categories within which risks may arise for a typical project.
- Methodology
 - Risk breakdown structure
 - Risk category
 - Project dependencies
 - Complexity and interfaces
- _____ 20. The project manager can use a _____ to focus attention on those items of high significance to the project, where responses can lead to better project outcomes.
- Watchlist
 - Prioritized list
 - Probability and impact matrix
 - Data quality assessment
 - Trends in qualitative risk analysis

- _____ 21. In a _____ contract, the seller is reimbursed for allowable costs for performing the contract work and receives a pre-determined payment calculated as a percentage of the estimated project costs.
- Cost-plus-fixed-fee contract
 - Cost-plus-fee contract
 - Time and material contract
 - Fixed price/lump sum contract
 - Cost-plus-incentive-fee contract
- _____ 22. _____ probability distributions represent the uncertainty in values, such as durations of schedule activities and costs of project components
- Monte Carlo
 - Triangular
 - Discrete
 - Beta
 - Continuous
- _____ 23. _____ are used to seek proposals from prospective sellers.
- Evaluation criteria
 - Production capacity and interest
 - Procurement documents
 - Contract SOW
 - Activity cost estimates
- _____ 24. _____ is the process of prioritizing risks for further analysis or action by assessing and combining their probability of occurrence and impact.
- Risk categorization
 - Registering risks
 - Identify risk
 - Perform qualitative risk analysis
 - SWOT analysis
- _____ 25. The _____ provides detailed statements of work that identify the deliverables and a description of the work within each component required to produce each deliverable.
- WBS dictionary
 - Activity cost estimates
 - WBS
 - Activity resource requirements
 - Risk register
- _____ 26. _____ must be appropriate to the significance of the risk, cost effective in meeting the challenge, timely, realistic within the project context, agreed upon by all parties involved, and owned by a responsible person.
- Risk mitigation
 - Contractual agreements
 - Planned risk responses
 - Threats and opportunities
 - Contingency reserves

- _____ 27. A _____ approach to risk that meets the organization's requirements should be developed for each project.
- Collaborative
 - Contingent
 - Consistent
 - Committed
 - Commiserative
- _____ 28. Each _____ defines, for those items being purchased or acquired, just the portion of the project scope that is included within the related contract.
- Cost-reimbursable contract
 - Make-or-buy decision
 - Contract statement of work
 - Requested changes
 - Procurement management plan
- _____ 29. The purpose of project risk management is to _____ the probability and impact of positive events and _____ the probability and impact of events adverse to the project.
- highlight, eliminate
 - prioritize, document
 - increase, decrease
 - document, prioritize
 - identify, mitigate
- _____ 30. _____ determines which risks may affect the project and documents their characteristics.
- Identify Risks
 - Plan Risk Management
 - Documentation reviews
 - Checklist analysis
 - Assumptions analysis
- _____ 31. All of the following are updated in the risk register as part of Perform Quantitative Risk Analysis EXCEPT:
- Probability of achieving cost and time objectives
 - Probabilistic analysis of the project
 - Trends in quantitative risk analysis results
 - Prioritized list of quantified risks
 - Strategies for negative risks
- _____ 32. _____ is the process of developing options and actions to enhance opportunities and reduce threats to the project's objectives.
- Contingent response strategy
 - Risk response planning
 - Contractual agreements
 - Avoidance
 - Mitigation
- _____ 33. The Plan Risk Management process should be completed _____ during project planning, since it is crucial to successfully performing the other processes.
- Once
 - Constantly
 - Frequently
 - Early
 - Twice

- _____ 34. _____ indicates that the project team has decided not to change the project management plan to deal with a risk, or is unable to identify any other suitable response strategy.
- Contingent response strategy
 - Avoidance
 - Acceptance
 - Mitigation
 - Transference
- _____ 35. _____ is a statistical technique that calculates the average outcome when the future includes scenarios that may or may not happen.
- Three-point estimate
 - Expected monetary value analysis
 - Decision tree
 - Modeling and simulation
 - Sensitivity analysis
- _____ 36. A(n) _____ reflects the significance of impact, either negative for threats or positive for opportunities, on each project objective if a risk occurs.
- Implication
 - Alternative analysis
 - Risk breakdown structure
 - Impact scale
 - Relativity chart
- _____ 37. _____ is an analytical technique is applied to improve the accuracy of the estimates of cost or duration when the underlying activity or cost component is uncertain.
- Expected monetary value analysis
 - Three-point estimate
 - Modeling and simulation
 - Decision tree
 - Sensitivity analysis
- _____ 38. _____ probability distributions can be used to represent uncertain events, such as the outcome of a test or possible scenario in a decision tree.
- Discrete
 - Monte Carlo
 - Continuous
 - Beta
 - Triangular
- _____ 39. Risk Register updates after qualitative risk analysis includes all of the following EXCEPT:
- Trends in qualitative risk analysis results
 - Risks grouped by categories
 - Risk urgency assessment
 - Watchlists of low priority risks
 - List of risks requiring response in the near-term
- _____ 40. Risks that are not assessed as important in the Qualitative Risk Analysis process can be placed on a _____ for continued monitoring.
- Categorized matrix
 - Watchlist
 - Risk register
 - Prioritized list
 - Opportunity matrix

- ___ 41. The Risk Management Plan includes all of the following EXCEPT:
- Timing
 - Roles and Responsibilities
 - Methodology
 - Templates
 - Risk categories
- ___ 42. _____ is a technique used to help determine which risks have the most potential impact on the project. It examines the extent to which the uncertainty of each project element affects the objective being examined.
- Modeling and simulation
 - Expected monetary value analysis
 - Decision tree
 - Three-point estimate
 - Sensitivity analysis
- ___ 43. _____ is the process of numerically analyzing the effect on overall project objectives of identified risks.
- Perform quantitative risk analysis
 - Modeling
 - Distribution
 - Expert judgement
 - Reliability
- ___ 44. A common way to determine whether a risk is considered low, moderate or high is by combining the two dimensions of risk and developing a:
- Probability and impact matrix
 - Risk urgency assessment
 - Risk rating scale
 - Risk data quality assessment
 - Watchlist
- ___ 45. Allocating ownership to a third party who is best able to capture an opportunity for the benefit of the project is:
- Acceptance
 - Exploitation
 - Enhancing
 - Sharing
 - Contingent response strategy
- ___ 46. Identified risks, including their root causes and uncertain project assumptions, are described in the _____.
- Assumptions analysis
 - Delphi technique
 - Ishikawa technique
 - List of potential responses
 - List of identified risks
- ___ 47. All of the following are information gathering techniques except:
- Interviewing
 - Risk categorizing
 - Delphi technique
 - Root cause analysis
 - Brainstorming

- ___ 48. With the risks facing the project, the _____ can be estimated using quantitative risk analysis results.
- Prioritized list of quantified risks
 - Probability of achieving cost and time objectives
 - Trends in quantitative risk analysis results
 - Strategies for negative risks
 - Probabilistic analysis of the project
- ___ 49. The _____ is used to prioritize risks according to their potential implications for meeting the project's objectives.
- Probability and impact matrix
 - Risk breakdown structure
 - Template
 - Task prioritization list
 - Project objectives
- ___ 50. The _____ is used to determine whether a particular product or service can be produced by the project team or can be purchased, considering project budget constraints..
- Consideration declaration
 - Plan purchases and acquisitions
 - Procurement plan
 - Make or buy analysis
 - Requisition
- ___ 51. _____ can reveal common root causes of risk or project areas requiring particular attention.
- Risk assessment
 - Risk data quality assessment
 - Risk categorization
 - Relative ranking
 - Risk urgency assessment
- ___ 52. If a procurement item is readily available from a number of acceptable sellers, _____ can be limited to purchase price.
- Procurement documents
 - References
 - Evaluation criteria
 - Standard forms
 - Proprietary rights
- ___ 53. _____ are developed and used to rate or score proposals.
- Procurement documents
 - Proprietary rights
 - References
 - Source selection criteria
 - Standard forms
- ___ 54. The _____ contains the outcomes of the other risk management processes as they are conducted.
- Risk register
 - Template
 - Delphi technique
 - Risk breakdown structure
 - Risk management plan

- _____ 55. _____ is used with stakeholder risk tolerances to permit quantification of the cost and time contingency reserves. Such contingency reserves are needed to bring the risk of overrunning stated project objectives to a level acceptable to the organization.
- Probability of achieving cost and time objectives
 - Trends in quantitative risk analysis results
 - Strategies for negative risks
 - Probabilistic analysis of the project
 - Prioritized list of quantified risks
- _____ 56. _____ involves examining the degree to which a risk is understood, and the accuracy, quality, reliability and integrity of the data about the risk.
- Risk categorization
 - Probability assessment
 - Risk data quality assessment
 - Risk urgency assessment
 - Impact assessment
- _____ 57. The lowest level of the _____ can be used as a risk checklist.
- Root cause identification
 - SWOT analysis
 - Ishikawa diagram
 - Cause-and-effect diagram
 - Risk breakdown structure
- _____ 58. _____ is an uncertain event or condition that, if it occurs, has a positive or negative effect on at least one project objective, such as time, cost, scope or quality.
- Opportunities
 - Risk conditions
 - Probability
 - Project risk
 - Organizational process asset
- _____ 59. The _____ defines the approaches, tools, and data sources that may be used to perform risk management on the project.
- Risk category
 - Template
 - Methodology
 - Roles and responsibilities
 - Timing
- _____ 60. The process concerned with conducting risk management planning, identification, analysis, responses and monitoring and control on a project is known as:
- Project Risk Management
 - Risk Identification
 - Qualitative Risk Analysis
 - Risk Response Planning
 - Risk Monitoring and Control
- _____ 61. Identify Risk is a(n)_____ process.
- Organizational
 - Evolutionary
 - Brainstorming
 - Project
 - Iterative

- _____ 62. _____ implies a reduction in the probability and/or impact of an adverse risk event to an acceptable threshold.
- a. Avoidance
 - b. Acceptance
 - c. Contingent response strategy
 - d. Mitigation
 - e. Transference

PMP Prep Test Bank - Planning Process Group Questions (Risk & Procurement) Answer Section

MULTIPLE CHOICE

1. ANS: B
See PMBOK Section 11.2, page 287
2. ANS: B
See PMBOK Section 11.5, page 304
3. ANS: A
See PMBOK Section 11.5, page 303
4. ANS: E
See PMBOK Section 11.1, page 280
5. ANS: A
See PMBOK Section 12.1, page 322
6. ANS: B
See PMBOK Section 11.5, page 305
7. ANS: D
See PMBOK Section 11.4, page 298 & 299
8. ANS: E
See PMBOK Section 11.5, page 303
9. ANS: B
See PMBOK Chapter 11 Introduction
10. ANS: C
See PMBOK Section 11.5, pages 305 & 306
11. ANS: A
See PMBOK Section 12.1, page 316
12. ANS: B
See PMBOK Section 11.2, page 288
13. ANS: C
See PMBOK Section 11.2, page 286
14. ANS: C
See PMBOK Section 12.1, page 323
15. ANS: D
See PMBOK Section 12.2, page 327
16. ANS: B
See PMBOK Section 11.1, page 276
17. ANS: D
See PMBOK Section 12.1, page 324
18. ANS: B
See PMBOK Section 11.5, page 305
19. ANS: B
See PMBOK Section 11.1, page 280
20. ANS: B
See PMBOK Section 11.3, page 294

21. ANS: A
See PMBOK Section 12.1, page 323
22. ANS: E
See PMBOK Section 11.4, page 297
23. ANS: C
See PMBOK Section 12.1, page 326
24. ANS: D
See PMBOK Section 11.3, page 289
25. ANS: A
See PMBOK Section 12.1, page 319
26. ANS: C
See PMBOK Section 11.5, page 301
27. ANS: C
See PMBOK Chapter 11 Introduction
28. ANS: C
See PMBOK Section 12.1, pages 325 & 326
29. ANS: C
See PMBOK Chapter 11 Introduction
30. ANS: A
See PMBOK Section 11.2, page 282
31. ANS: E
See PMBOK Section 11.4, pages 300 & 301
32. ANS: B
See PMBOK Section 11.5, page 301
33. ANS: D
See PMBOK Section 11.1, page 276
34. ANS: C
See PMBOK Section 11.5, page 304
35. ANS: B
See PMBOK Section 11.4, page 298
36. ANS: D
See PMBOK Section 11.1, page 281
37. ANS: B
See PMBOK Section 11.4, page 296
38. ANS: A
See PMBOK Section 11.4, page 297
39. ANS: C
See PMBOK Section 11.3, pages 293 & 294
40. ANS: B
See PMBOK Section 11.3, page 294
41. ANS: D
See PMBOK Section 11.1, pages 279 & 280
42. ANS: E
See PMBOK Section 11.4, page 298
43. ANS: A
See PMBOK Section 11.4, page 294

- 44. ANS: A
See PMBOK Section 11.3, pages 291 & 292
- 45. ANS: D
See PMBOK Section 11.5, page 304
- 46. ANS: E
See PMBOK Section 11.2, page 288
- 47. ANS: B
See PMBOK Section 11.2, pages 286 & 287
- 48. ANS: B
See PMBOK Section 11.4, page 301
- 49. ANS: A
See PMBOK Section 11.1, page 281
- 50. ANS: D
See PMBOK Section 12.1, page 321
- 51. ANS: C
See PMBOK Section 11.3, page 293
- 52. ANS: C
See PMBOK Section 12.2, page 327
- 53. ANS: D
See PMBOK Section 12.2, page 327
- 54. ANS: A
See PMBOK Section 11.2, page 288
- 55. ANS: D
See PMBOK Section 11.4, page 301
- 56. ANS: C
See PMBOK Section 11.3, page 293
- 57. ANS: E
See PMBOK Section 11.2, page 287
- 58. ANS: D
See PMBOK Chapter 11 Introduction
- 59. ANS: C
See PMBOK Section 11.1, page 279
- 60. ANS: A
See PMBOK Chapter 11 Introduction
- 61. ANS: E
See PMBOK Section 11.2, page 282
- 62. ANS: D
See PMBOK Section 11.5, page 304