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QUESTION NO: 1

A regional vendor for custom manufactured steel oil derricks, is awarded a contract to design, manufacture, and install 40 offshore oil platforms. Installation of these derricks requires precision placement and stable seas for the transport and installation ships to properly install the deep water structure. There are several schedule and cost incentives for early completion, and the project manager asks the project risk coordinator to perform an analysis, which will predict the probability of meeting the incentive dates. While researching methods that could be used for performing this analysis, the risk manager realizes that there are readily available spreadsheets within the organization. The risk manager is considering performing a Method of Moments (PERT) analysis with software already owned, or the other option is to buy a commercial risk analysis software suite that will perform Latin Hypercube Monte Carlo simulations at a cost of US\$975.

What would be the best analytical option for this probability assessment?

- A.** Schedule based Method of Moments analysis is a time proven, highly accurate method for schedule risk and is not impacted by Monte Carlo simulation's limitation of summation modeling where only addition and subtraction of uncertain values are used.
- B.** The commercial product that performs the Monte Carlo simulations is the best option, because a schedule risk assessment involves summation of uncertainties added or subtracted from or to schedule dates.
- C.** Because a schedule risk assessment involves multiplication and division of schedule durations against specific risk events, a spreadsheet and using a Method of Moments analysis is the best option.
- D.** Since a schedule risk assessment involves multiplication and division of schedule durations against specific risk events, the Monte Carlo simulation software is the best option.

ANSWER: B**QUESTION NO: 2**

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 dates 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:

The risk manager should consult the risks that have materialized and the overall risk profile to analyze the performance of managing the risks, as well as the risks due to the number of claims submitted to the client. These options provide insights into how well risks are being managed and the potential impact on the project.

QUESTION NO: 3

During project execution, the project team realizes that the power outlet for imported equipment is not compatible with the current customer's electrical infrastructure. This event was originally identified as a risk during earlier stages of the project and the associated risk response indicated a plan to purchase a new power adapter.

Which project fund will be used to cover this cost?

- A. Management reserve
- B. Management budget
- C. Project budget
- D. Contingency reserve

ANSWER: D**QUESTION NO: 4**

Wendy is the project manager of the NNJ project for her company. As part of the variance and trend analysis tool and technique for risk governance she is using earned value management. In this approach, Wendy wants to track and compare the cost and schedule variances. What is the point of this tool and technique in regard to risk?

- A. Wendy can determine a true project completion date.
- B. Wendy can track the cost and schedule variances.
- C. Wendy can review quality performance on baselines.
- D. Wendy can forecast deviation of the project cost and schedule for completion targets.

ANSWER: D**QUESTION NO: 5**

You are the project manager for the NHQ Project. This project requires that you install 140 copies of design software onto your department's computers. The vendor offers you a twenty percent discount on the software if your company will purchase 150 or more copies of the software. You communicate this offer with other departments in your firm to see if anyone else would need 10 copies of the software to save your project a significant amount of funds. What is this risk response called?

- A. Exploiting

- B. Avoidance
- C. Sharing
- D. Transference

ANSWER: C

QUESTION NO: 6

Which of the following are parts of SWOT Analysis? Each correct answer represents a complete solution. Choose all that apply.

- A. Opportunities
- B. Tools
- C. Weaknesses
- D. Threats
- E. Strengths
- F. Optimism

ANSWER: A C D E

QUESTION NO: 7

A project manager was informed that the testing of the latest component in the project's software update release was not successful. As a result, the delivery timelines for the software release will be delayed. The project manager did not previously capture this as a risk to the project.

What should the project manager do next to avoid similar risks?

- A. Add contingencies to other tasks to mitigate similar risks.
- B. Reassess risks with a new assumptions and constraints analysis.
- C. Review the risk response plan looking for lessons learned.
- D. Log the event in the issue log and update the project management plan.

ANSWER: B

Explanation:

The project manager should reassess risks by conducting a new assumptions and constraints analysis. This will help identify any previously overlooked risks and ensure that the risk register is comprehensive and up-to-date.

QUESTION NO: 8

You work as a project manager for BlueWell Inc. You have to communicate the causes of risk events to the stakeholders. Which risk diagramming technique you will use to communicate the causes of risk events to project stakeholders?

- A. Project network diagrams
- B. Process flow charts
- C. Ishikawa diagrams
- D. Influence diagrams

ANSWER: C**QUESTION NO: 9**

You are the project manager for GHY Project and are working to create a risk response for a negative risk. You and the project team have identified the risk that the project may not complete on time, as required by the management, due to the creation of the user guide for the software you're creating. You have elected to hire an external writer in order to satisfy the requirements and to alleviate the risk event. What type of risk response have you elected to use in this instance?

- A. Avoidance
- B. Exploiting
- C. Transference
- D. Sharing

ANSWER: C**QUESTION NO: 10**

Yolanda is the project manager of a high-profile project for her organization. This project has 124 stakeholders from across the organization and many of the stakeholders have high demands and expectations for the project. Yolanda will need several pieces of project information as she begins to communicate and manage the stakeholder expectations. Which of the following inputs of the manage stakeholder expectations process directly addresses the risks that could affect the project and which must be communicated to the project stakeholders?

- A. Change log
- B. Low-level risks watchlist
- C. Issue log

D. Stakeholder register

ANSWER: A

QUESTION NO: 11

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:

The risk manager should have their team review the scope of work and requirements to ensure they understand the project's objectives and deliverables. Additionally, reviewing the risk management plan will help the team understand the risk management process, roles, and responsibilities, and prepare for the risk identification workshop.

QUESTION NO: 12

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 (WBS) will help the risk manager in understanding the project's scope and identifying potential risks at different levels of the project. Monte Carlo analysis is a quantitative risk analysis technique that can be used to assess the impact of identified risks on the project's schedule and cost.

QUESTION NO: 13

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**QUESTION NO: 14**

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 and previous project risks are valuable sources of information for creating a risk checklist. They provide insights into potential risks that may impact the current project and help the project manager develop appropriate risk responses. Budget variance data, project scope and cost management plans, and stakeholder analysis metrics, although useful, are not directly related to risk identification. (Reference: Project Management Institute. A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Sixth Edition, Section 11.2)

QUESTION NO: 15

A mega facility development project is evaluating some options to achieve the project schedule and budget. Each option's success is driven by multiple quantifiable factors.

What should the project manager do to evaluate and select the best option based on costs and probabilities?

- A. Perform a FMECA fault tree analysis
- B. Conduct a sensitivity analysis
- C. Perform a decision tree analysis
- D. Conduct an analytic hierarchy process

ANSWER: C

Explanation:

A decision tree analysis is a quantitative risk analysis technique that helps evaluate and select the best option based on costs and probabilities. It visually represents different decision paths and their associated probabilities, allowing the project manager to compare and select the most appropriate option for the project.

QUESTION NO: 16

Project stakeholders identify, analyze, and plan the risk responses for a project. However, the contingency reserves are depleted before the project is completed.

What recommendation could be implemented to prevent this from recurring?

- A. Use the Monte Carlo simulation.
- B. Implement a reserve analysis process.
- C. Conduct more frequent reserve watch list status meetings.
- D. Increase the contingency reserve.

ANSWER: C

QUESTION NO: 17

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

QUESTION NO: 18

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

QUESTION NO: 19

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

QUESTION NO: 20

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:

The risk manager should focus on risks that are directly tied to the success of the organization and those that align with the organization's risk management philosophy and strategic ambition. This will ensure that management is informed about the most relevant risks and opportunities for the project.