APM Risk Level 1 Qualification – Example questions	
Candidate Number	
Date	
Location	
Examination Paper	RL1 Sample Paper 131117 v1

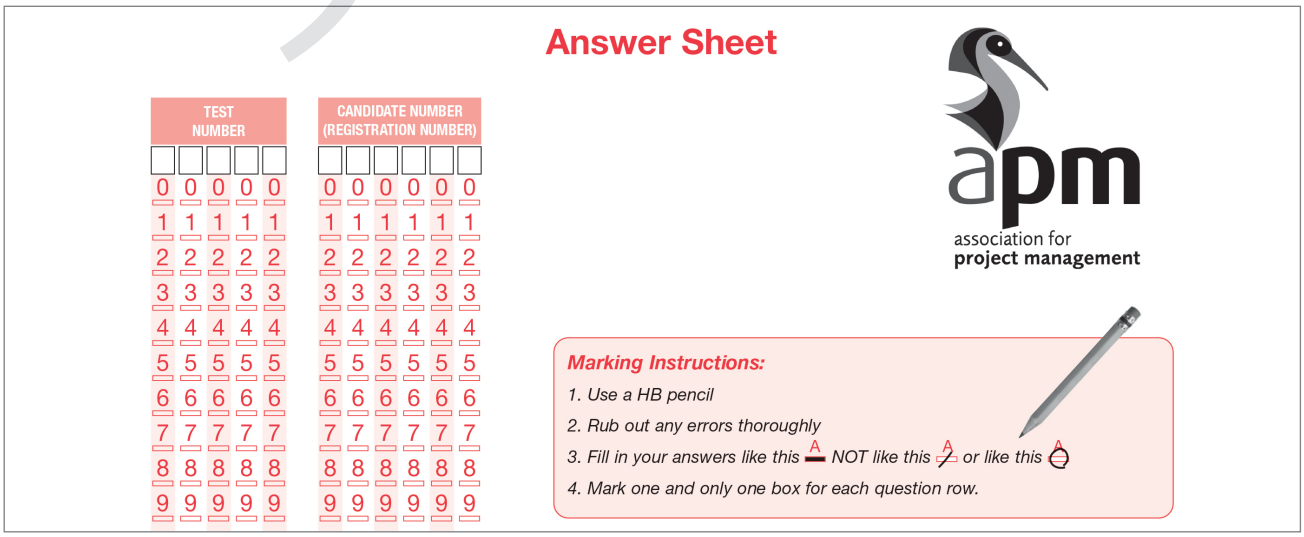
General Notes

Time allowed **1 hour.**

Answer all 60 multiple choice questions – sample paper contains 30 questions only
Use the proforma answer sheet provided.

Completing the proforma answer sheet

- Use HB pencil provided to complete the proforma answer sheet.
- Provide only one answer per question.
- Each entry is to be made with a HORIZONTAL line in the spaces indicated.
- Errors must be removed using a good quality eraser – as provided.
- Enter the Test Code and your Candidate Number (which can be found on your examination card) on to your answer sheet, following the example set out below.



Do not open this paper until instructed by the invigilator.

This question paper must <u>not</u> be removed from the examination room.

Question 1

An opportunity is defined as what?

a. An appropriate option for dealing with a risk
b. A risk with a potential beneficial outcome
c. Something which may pose a risk
d. A way of managing a threat to the project objectives

Question 2

Quantitative schedule risk analysis using Monte Carlo simulation can be used to calculate what?

a. Earned value
b. Net present value
c. Criticality index
d. Three-point estimates

Question 3

A risk management plan should include:

a. a Monte Carlo simulation.
b. identified risks and control actions.
c. the risk management organisation.
d. an event tree.

Question 4

A danger of risk management is that:

a. it discourages the acceptance of financially unsound projects.
b. risks can be transferred to other people at no cost.
c. it will justify high contingency.
d. the risks can all be managed by the project team.

Question 5

Which of the following best describes a project stakeholder?

a. Any member of the project team
b. An individual that could be affected by the outcome of the project
c. Anyone who works on the project
d. Anyone who works for the organisation that will benefit from the project

Question 6

The point on a probability distribution with the highest probability of occurrence is called the:

a. mean.
b. median.
c. mode.
d. quartile.

Question 7

Which of the following is a correct and complete definition of project risk, according to the PRAM Guide?

a. The exposure of outcomes to the consequences of variation in risk
b. The exposure of projects to the consequences of variation in stakeholders
c. The exposure of stakeholders to the consequences of variation in outcomes
d. The exposure of risks to the consequences of variation in projects

Question 8

A risk manager will get buy-in to the process from the project manager:

a. by providing the appropriate tools.
b. through training, communication and allocation of appropriate resources.
c. by appealing to the managing director for support.
d. by using Monte Carlo simulation.

Question 9

Which of the following is NOT a risk identification technique?

a. Brainstorming
b. Assumptions analysis
c. SWOT analysis
d. Sensitivity analysis

Question 10

Most statistical simulations of project risk use which approach?

a. PERT
b. Ishikawa diagrams
c. Net present value calculation
d. Monte Carlo analysis

Question 11

The aim of risk identification is to:

a. identify only threats.
b. identify responses.
c. identify stakeholders.
d. identify all risks.

Question 12

Before assessing a risk you must first:

a. identify the risk response action.
b. identify the risk.
c. manage the risk.
d. calculate the contingency.

Question 13

To determine whether a risk response is justified, a project manager needs to know what?

a. How important it is to the client
b. The significance of the risk event concerned, relative to the project objectives
c. How late the project is
d. Whether the sponsor is concerned about the risk

Question 14

The first sub-phase in the PRAM risk management process is to?

a. Identify the risks
b. Calculate the contingency
c. Define the project
d. Assess the risks

Question 15

A beta probability distribution is used to describe:

a. an asymmetrical, continuous distribution.
b. a symmetrical, continuous distribution.
c. an asymmetrical, discrete distribution.
d. a symmetrical, discrete distribution.

Question 16

Any project where risk management is to be applied should have:

a. a list of risks that have already been identified.
b. a well-defined scope.
c. a member of the project team assigned as responsible for risk management.
d. a pre-defined and agreed way of managing risks that may occur.

Question 17

What form of risk application is peer review best suited for?

a. Risk assessment
b. Pre-project approval
c. Risk control
d. Post-project approval

Question 18

What would be a prime consideration, when choosing a particular risk management technique?

a. Experience or risk maturity of staff
b. Whether there was software available to support that technique
c. The number of risks that are likely to be identified in a particular project
d. The availability of training courses for staff expected to use the technique

Question 19

When should the risk management process be applied to a project?

a. As soon as any significant risks are identified
b. When the business case has been approved
c. At the discretion of the project manager
d. Immediately at the outset of the project

Question 20

The persistent tendency to feel and behave in a particular way is described as what?

a. Emotion
b. Belief
c. Attitude
d. Influence

Question 21

Who is responsible for reporting risk status to senior management on a regular basis?

a. Sponsor
b. Project manager
c. Risk manager
d. Risk facilitator

Question 22

Which risk documentation will be used to report the status of risks, actions and progress?

a. Risk registers
b. Risk reviews
c. Risk reports
d. Risk analyses

Question 23

What would be considered as an important benefit of undertaking stakeholder analysis as part of the risk management process?

a. Stakeholders can have a say in what risk management techniques are applicable
b. A thorough assessment of stakeholder's individual knowledge and experience of risk management can be conducted
c. It can provide an enhanced understanding of the project's aims on the part of all stakeholders involved
d. It ensures that the risk of not involving stakeholders in the process can be eliminated

Question 24

Where would information, about risks identified for the project, the nature of these risks and information concerning their assessment and management, most likely be found?

a. In the risk register
b. As part of the overall risk management plan
c. In the risk response report
d. As part of an overall sensitivity analysis

Question 25

What is the main objective of the *Implement Responses* phase of the PRAM process?

a. To plan responses to individual risk events
b. To assess the degree of appropriateness of particular risk responses
c. To increase the understanding of individual risk events in order to respond to best effect
d. To ensure that effective response actions are taken based on the decisions made during previous phases of the process

Question 26

What might be cited as a problem when using the Delphi technique?

a. It can only deal with a small amount of information at a time
b. It is time consuming
c. There is no scope to use the technique for risk identification
d. Users need to be trained in the process prior to use

Question 27

When using Assumptions Analysis, the stability of an assumption describes:

a. how likely the assumption will have influence over the project.
b. the magnitude of the assumption.
c. the likelihood of the assumption being correct.
d. the importance of the assumption in relation to project objectives.

Question 28

The three-part structure used to describe risks is known as:

a. risk meta-language.
b. standardised risk descriptions.
c. risk, threat, opportunity descriptions.
d. simplified language.

Question 29

Which one of the following elements would be considered an important part of the risk management plan?

a. Project Management Plan
b. Risk management organisation
c. Business case
d. Stakeholder analysis

Question 30

When considering project risk management, what is the project managers prime role?

a. Carry out risk responses and ensure that they are optimal
b. Own particular risks and ensure that the most appropriate response is administered
c. Project risk administration to ensure that all necessary reporting is carried out
d. Take accountability for effective risk treatment in the project

Answers

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Answer	b	c	c	a	b	c	c	b	d	d	d	b	b	c	a

Question	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Answer	b	b	a	d	c	a	c	c	a	d	b	c	a	b	d

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General Notes

Time allowed **3¼ hours**

You must also enter your candidate number and test code on your examination script.

Use ink, not pencil, to answer all questions.

Section A consists of 1 question containing 5 parts. This section is compulsory and carries 100 marks (50% of the overall marks available).

Section B consists of 4 questions, you should answer any 2 questions (each question is worth 50 marks, 25% of the overall marks available). 2 questions are based on the case study, the remainder being stand-alone topics.

APM Project Risk Management Single Subject Certificate – Level 2 Examination Paper	
Candidate Number	
Exam Date	
Exam Location	
Test Code	
Reference	Greenfields v1.0

Question number	Number of pages	Office use only
	Overall score %	

Project Risk Analysis and Management (PRAM) Guidebooks are permitted for reference use in this examination

On completion of the examination:
Please collate your answer sheets into question number order
Complete the table on your above and secure this question paper and your answers with the tag

Do not open this paper until instructed by the invigilator.
All candidate markings on the question paper will be disregarded unless specifically stated otherwise.
This question paper must not be removed from the examination room.

ALL CANDIDATES MUST COMPLETE THIS SECTION	
APM shares your results with your training provider.	
If applicable, please enter your current employer here: *This is for statistical monitoring only and we will not share your personal details with your employer.*	

We look after your data carefully; please ask for our privacy policy or search for it at www.apm.org.uk for more detail. We'd like to send you information about APM, project management and our products and services. You can tell us how you'd like to receive information online or by calling us, and opt out at any time:

☐ **Yes please** – I'd like you to keep me up to date ☐ **No thanks** – only send me essential information

UNREGISTERED CANDIDATES MUST ALSO COMPLETE THIS SECTION			
*First name		*Last name	
*Email address			
*All are mandatory fields in order to process your examination script and issue your results			

CASE STUDY – Greenfields

Due to a sudden increase in students applying for civil engineering courses, the University of Greenfields want to expand their civil engineering department. This growth has been driven by a government initiative to increase the number of engineering graduates.

The University have been seeking a suitable location to build a new complex which will consist of a lecture theatre, tutorial rooms, student accommodation, sports hall and administrative facilities. The University has stipulated that the design of the new complex must reflect the innovative image it is promoting and meet new and very challenging environmental targets. The final design will be submitted for a prestigious architectural award. Winning the award would raise the profile of the University and contribute to its strategy in becoming the leading University in its field. However, a previous attempt to win a similar award failed due to a lack of cooperation between departments. There is also a history of projects overrunning and overspending.

The local authority has stated that any new design must reflect the industrial heritage of the area. The University has employed a well-known architect to design the new complex.

An initial budget of £150m has been allocated for the project with planned opening in 2 years for the start of the academic year. One of the local councillors has been quoted as saying that the development could create over 200 local jobs during the build and contribute over £50m to the local economy over the next 3 years. Funding is provided by a combination of government grants (30%), University funds (50%) and a donation from a local business owner (20%).

The Local Authority has proposed a disused industrial site within 2 miles of the existing University and 1 mile from Greenfields town centre. The proposed site is close to a new large housing development and is connected to Greenfields via an extensive network of cycle paths. The proposed site has been derelict for many years and has become a home for a wide range of wildlife. Due to its industrial past the site may contain hazardous material including asbestos and chemical waste.

The planned expansion of the University has attracted a lot of publicity and there is strong feeling both for and against the development. The local business community see the increase in student population as very positive whilst local residents are concerned that the increased traffic will cause excessive congestion. In addition, a local environmental group is concerned about the impact of the development on wildlife and green space. They have also complained about the proposed closure of the adjacent cycle path during construction.

The project is in its very early stages and detailed estimates of time and costs have still to be determined.

You have recently gained your APM Risk qualification and have been asked to join the University's project team on a consultancy basis to help implement a robust risk management process on the project.

SECTION A – Case Study

All questions in this section are compulsory

Question 1 based on the case study (total 100 marks)

(a) List 10 stakeholders in the project.

(10 marks)

(b) State the main objectives and success criteria for the project (make five points).

(10 marks)

(c) Prepare a draft risk management plan, completing all relevant sections with information obtained from the case study. Marks will be awarded according to the following scheme:

1. **Introduction.** (2 marks)
2. **Project description.** (2 marks)
3. **Purpose and scope of risk management.** (6 marks)
4. **Risk management organisation.** (5 marks)
5. **Risk management process.** (10 marks)
6. **Key deliverables.** (5 marks)

(30 marks)

Warning Note that there are no marks to be gained by simply copying from the PRAM Guide, marks are only awarded for the candidate demonstrating understanding of what should be in the risk management plan for this specific case study.

(d) Identify 10 risks that may occur on this project. Ensure that risks are stated using the format cause – risk event – effect.

(30 marks)

(e) For <u>two</u> of the risks identified in your opinion:

- **State who the potential owner would be.**

  (2 marks per risk)

- **Explain what could be done to respond to the risk.**

  (3 marks per risk)

- **State what would be the most significant secondary risk.**

  (2 marks per risk)

- **Explain what could be done to respond to any potential secondary risk(s).**

  (3 marks per risk)

(20 marks)

SECTION B

Choose any 2 questions from the following 4 questions. Questions 2 and 3 relate to the case study, questions 4 and 5 are not case study related.

Question 2 based on the case study (total 50 marks)

(a) Explain, by means of specific examples, how the management of <u>two</u> threat events could help to optimize achievement of project objectives. The marks will be awarded in the following way:

- **Selection of a relevant threat and summarizing what it is or means e.g. its relevance in the context of the question.**

  (1 mark per risk)

- **Justify as to how the management of the threat will influence the achievement of project objectives.**

  (4 marks per risk)

- **Clarify/demonstrate further comprehension of how the taking of a specific approach can influence risk event management and project risk.**

  (5 marks per risk)

(b) events could help to optimize achievement of project objectives. The marks will be awarded in the following way:

- **Selection of a relevant opportunity and summarizing what it is or means e.g. its relevance in the context of the question**

  (1 mark per risk)

- **Justify as to how the management of the opportunity will influence the achievement of project objectives**

  (4 marks per risk)

- **Clarify/demonstrate further comprehension of the influence of risk event management on project risk**

  (5 marks per risk)

(c) Explain why it is important for a risk management process to cover both threat and opportunity. Make sure that you justify your reasons.

(10 marks)

Question 3 based on the case study (total 50 marks)

(a) Explain why the derivation of project specific scales would be an important part of the qualitative risk assessment phase.

The marks will be awarded in the following way:

- **Selection of a relevant reason why project specific scales would be an important part of qualitative risk assessment and its relevance in the context of the question.**

  (2 marks)

- **Clarify/demonstrate comprehension of the importance of project specific scales.**

  (5 marks)

- **Link the importance to the scenario.**

  (3 marks)

(b) Derive an appropriate scale for probability. Ensure that you justify each element of the scale.

(20 marks)

(c) Derive an appropriate scale for one category of impact. Ensure that you justify each element of the scale.

(20 marks)

Warning Note that there are no marks to be gained by simply copying from the PRAM Guide, marks are only awarded for the candidate demonstrating application to this specific case study.

Question 4 (total 50 marks)

Explain how <u>five</u> different benefits of project risk management (hard and/or soft) can add value to an organisation. For each benefit, marks will be awarded as follows:

(a) State a benefit of project risk management

(1 mark)

(b) State the perceived added value to an organisation

(4 marks)

(c) Using an example or anecdote, illustrate your stated benefit.

(5 marks)

Question 5 (total 50 marks)

Explain how five different project risk identification techniques can support the achievement of a project's objectives. For each technique identified, marks will be awarded as follows:

(a) Select a relevant identification technique

(1 mark)

(b) Clarify/demonstrate comprehension of how this technique can be used to support the achievement of a project's objectives

(4 marks)

(b) Give a relevant example which illustrates application of the technique being explained.

(5 marks)

Notes

This page will not be marked

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