

# Exam Enterprise Risk Management June 2020

1. According to Mikes and Kaplan, there are different approaches and roles for the risk management Function. They had all moved beyond the ..... role, with an exclusive focus on compliance and internal controls, to a business partner role.
  - a) independent facilitator
  - b) independent overseer
  - c) independent controller
  - d) dependent facilitator
2. Which of the followings is correct?
  - a) Risk appetite is the maximum amount of risk an entity is able to absorb in the pursuit of strategy and business objectives.
  - b) Risk appetite is part of 'governance and Culture' in the COSO ERM 2017.
  - c) Risk appetite need to be mentioned with sufficient precision.
  - d) B and C
3. Which control is most likely to occur both pre and post events?
  - a. directive
  - b. detective
  - c. preventive
  - d. corrective
4. Which of the following does not occur when there is high competition in the industry?
  - a. numerous and equally competitors
  - b. high industry growth
  - c. fixed costs
  - d. inventory costs
5. For which of the following does a fire alarm help?
  - a. decrease both impact and likelihood
  - b. decrease impact but not likelihood
  - c. decrease likelihood but not impact
  - d. does not have an effect on both impact and likelihood
6. which two are supporting activities of the COSO model?
  - a. strategy and objective setting ; performance
  - b. governance and culture ; performance
  - c. governance and culture ; information, communication and reporting
  - d. strategy and objective setting ; information, communication and reporting
7. when is a strategy implemented?
  - a. at the same time as you decide on goals and objectives
  - b. strategy forms when multiple events occur

- c. during one meeting with multiple stakeholders
- d. ...

8. If you have resources which are valuable and rare, but easy to imitate by competitors, then you have a

- a. competitive disadvantage
- b. timely competitive advantage
- c. sustainable competitive advantage
- d. competitive advantage

9. which of the following is not a part of the balanced scorecard?

- a. financials
- b. learning and growth
- c. customer
- d. marketing and innovation

10. which is most likely to happen?

- a. internal control is the second line of defense
- b. management control is the second line of defense
- c. internal audit is the third line of defense
- d. risk management is the first line of defense

11. where is the risk appetite defined?

- a. governance and culture
- b. strategy- and objective setting
- c. performance
- d. review and revision

12. FIRM risk scorecard = financial, infrastructure, reputational, marketplace. In which part does IT risk fit best?

- a. internally infrastructure risk
- b. externally infrastructure risk
- c. internally reputational risk
- d. externally reputational risk

13. Numerous banking numbers got stolen due to malpractices in the computer system. This kind of risk is an example of

- a. credit risk
- b. market risk
- c. operational risk
- d. liquidity risk

14. what is the definition of operational risk management?

- a. risk of loss resulting from inadequate or failed processes, people, and capital or from external events
- b. risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events
- c. risk of loss resulting from inadequate or failed external processes, people, and systems or from internal events

d. risk of loss resulting from inadequate or failed internal processes, people, and systems

15. what are the characteristics of a good leader?

- a. he is brutally honest about the situation
- b. he is over-optimistic
- c. ...
- d. all three

16. The impact of the fire by Philips did not have such a big impact because they have a Chief Risk Officer

- a. Chief Worry Officer
- b. Chief Crisis Officer
- c. ...
- d.

1.