

DUMPS ARENA

ISO 31000 - Certified Lead Risk Manager

GAQM ISO-31000-CLA

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QUESTION NO: 1

What is a primary benefit of a commercial customer self-insuring a risk?

- A. Claims costs will reduce
- B. Controllability of risk will increase
- C. Its short-term cash-flow position is likely to improve.
- D. Staff training requirements will decrease.

ANSWER: C**Explanation:**

A primary benefit of a commercial customer self-insuring a risk is that its short-term cash-flow position is likely to improve. This is because self-insurance reduces or eliminates insurance premiums and administrative costs associated with external insurers.

QUESTION NO: 2

Which of the following significant risks of reporting are outside the risk appetite of the organization and can impact compliance, which may also be reportable to regulatory agencies? (Choose two)

- A. External
- B. Vision
- C. Internal
- D. Dynamic
- E. Functional

ANSWER: A C**Explanation:**

[External and internal risks are significant risks of reporting that are outside the risk appetite of the organization and can impact compliance, which may also be reportable to regulatory agencies¹.](#) These risks may arise from external factors such as market changes, natural disasters, or cyberattacks, or internal factors such as human errors, fraud, or system failures.

QUESTION NO: 3

Which of the following are ISO 31000:2009 Enhanced Risk Management attributes? (Choose two)

- A. Full accountability for risk controls and treatment

- B. Solution offering
- C. Decision making involves risk
- D. Crisis management and process attributes

ANSWER: A C

Explanation:

[Full accountability for risk controls and treatment and decision making involves risk are two of the enhanced risk management attributes according to ISO 31000:20091](#). These attributes indicate that risk management is integrated into governance and decision-making processes.

QUESTION NO: 4

Which element is often the biggest challenge in risk implementation?

- A. human
- B. computation

ANSWER: A

Explanation:

Human element is often the biggest challenge in risk implementation. Human element involves overcoming resistance to change, engaging stakeholders, building trust and commitment, and fostering a positive risk culture.

QUESTION NO: 5

Which of the following is considered a risk analysis technique?

- A. Budget allocation
- B. Consensus building
- C. Insurance placement
- D. Monte Carlo simulation

ANSWER: D

Explanation:

[Monte Carlo simulation is a risk analysis technique that uses random variables to model uncertainty and generate possible outcomes2](#). This helps to assess the probability and impact of different scenarios.

QUESTION NO: 6

Which two of the following are types Integrated Processes? (Choose two)

- A. People processes
- B. Soft processes
- C. Hard process
- D. Quality analysis

ANSWER: A C

Explanation:

[People processes and hard processes are two types of integrated processes](#)³. People processes involve human factors such as culture, values, ethics, and behavior that influence risk management. Hard processes involve technical aspects such as methods, tools, techniques, and systems that support risk management.

QUESTION NO: 7

Where does an internal auditor typically spend most of his time auditing today?

- A. People
- B. Process
- C. Technology
- D. Infrastructure

ANSWER: B

Explanation:

According to , page 9, one of the current trends in auditing, risk management and compliance is “shifting from auditing people to auditing processes”. This means that internal auditors focus more on how well an organization’s processes are designed and implemented to achieve its objectives and manage its risks.

QUESTION NO: 8

Which of the following are Critical Elements of a Risk Management Framework? (choose four)

- A. Architect the system
- B. Design the system
- C. Strategize the system
- D. Implement the system
- E. Assure the system

F. Organize the system

ANSWER: B D E F

Explanation:

[According to ISO 31000:2018, a risk management framework consists of four critical elements: design \(B\), implement \(D\), evaluate \(E\) and improve \(F\)](#)⁵. These elements guide an organization in integrating risk management into all functions and processes.

QUESTION NO: 9

Which of the following are two ISO 31000:2018 risk management principles? (Choose two)

- A. Integrated
- B. Customized
- C. Functional
- D. Statistical
- E. Design
- F. Strategy

ANSWER: A B

Explanation:

[Integrated and customized are two of the nine risk management principles in ISO 31000:2018](#)¹. Integrated means that risk management is an integral part of all organizational activities. Customized means that risk management is aligned with the organization's external and internal context and risk profile.

QUESTION NO: 10

Who serves as the principal adviser to the CEO, business unit heads, and critical function heads on risk matter?

- A. Chief Risk Officer (CRO)
- B. Chief Information Officer (CIO)
- C. Quality Auditor (QA)
- D. Risk Owner (RO)

ANSWER: A

Explanation:

Chief Risk Officer (CRO) serves as the principal adviser to the CEO, business unit heads, and critical function heads on risk matter. CRO leads the development and implementation of the organization's risk management framework and process.