

Types of Risk Management Explained

Business Administration · Answer Key · 20 Questions

1. Which type of risk management focuses on risks that impact an organization's long-term goals?

- A) Financial Risk Management
- B) Operational Risk Management
- C) Strategic Risk Management**
- D) Compliance Risk Management

2. What is the primary concern of Financial Risk Management?

- A) Employee well-being
- B) Public image
- C) Financial assets, investments, and cash flow**
- D) Adherence to laws

3. Risks arising from internal processes, people, and systems fall under which category?

- A) Reputational Risk Management
- B) Operational Risk Management**
- C) Environmental Risk Management
- D) Project Risk Management

4. Ensuring adherence to laws, regulations, and internal policies is the purpose of which risk management type?

- A) Cybersecurity Risk Management
- B) Health & Safety Risk Management
- C) Strategic Risk Management
- D) Compliance and Regulatory Risk Management**

5. Which risk management area aims to protect an organization's public image and stakeholder trust?

- A) Financial Risk Management
- B) Reputational Risk Management**
- C) Operational Risk Management
- D) Project Risk Management

6. Floods and earthquakes are examples of risks addressed by which type of risk management?

A) Compliance Risk Management

B) Environmental and Natural Risk Management

C) Cybersecurity Risk Management

D) Health & Safety Risk Management

7. Scope creep and delays are common concerns in which risk management domain?

A) Project Risk Management

B) Strategic Risk Management

C) Operational Risk Management

D) Reputational Risk Management

8. Data breaches and hacking are risks managed under which specific category?

A) Health & Safety Risk Management

B) Environmental Risk Management

C) Cybersecurity / IT Risk Management

D) Compliance Risk Management

9. What is the focus of Health & Safety Risk Management?

A) Financial stability

B) Project timelines

C) Physical and mental well-being of employees and stakeholders

D) Brand reputation

10. Enterprise Risk Management (ERM) is described as a _____ approach.

A) Specialized

B) Fragmented

C) Holistic

D) Reactive

11. Poor business decisions are an example of risk within which category?

A) Operational Risk Management

B) Financial Risk Management

C) Strategic Risk Management

D) Reputational Risk Management

12. Minimizing unexpected financial losses is the purpose of which risk management type?

- A) Compliance Risk Management
- B) Financial Risk Management**
- C) Health & Safety Risk Management
- D) Environmental Risk Management

13. Human error and equipment failure are potential risks in:

- A) Strategic Risk Management
- B) Operational Risk Management**
- C) Reputational Risk Management
- D) Project Risk Management

14. Avoiding legal penalties and fines is a key purpose of:

- A) Environmental Risk Management
- B) Cybersecurity Risk Management
- C) Compliance and Regulatory Risk Management**
- D) Financial Risk Management

15. Social media backlash can harm an organization's public image and is addressed by:

- A) Project Risk Management
- B) Reputational Risk Management**
- C) Operational Risk Management
- D) Strategic Risk Management

16. Ensuring continuity of operations during natural disasters is a goal of:

- A) Health & Safety Risk Management
- B) Environmental and Natural Risk Management**
- C) Cybersecurity Risk Management
- D) Compliance Risk Management

17. Which risk management type aims to increase the likelihood of project success?

- A) Strategic Risk Management
- B) Financial Risk Management
- C) Project Risk Management**
- D) Operational Risk Management

18. Protecting sensitive data is a primary purpose of:

- A) Reputational Risk Management
- B) Health & Safety Risk Management
- C) Compliance Risk Management
- D) Cybersecurity / IT Risk Management**

19. Workplace accidents are risks managed by:

- A) Environmental Risk Management
- B) Project Risk Management
- C) Health & Safety Risk Management**
- D) Strategic Risk Management

20. Enterprise Risk Management (ERM) integrates risks from which of the following categories?

- A) Only financial and operational risks
- B) Only strategic and reputational risks
- C) All types of risks across an organization**
- D) Only compliance and environmental risks