

Types of Risk Management Explained

Business Administration · Practice Test · 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