



## APM Project Risk Management Single Subject Certificate Level 2

Candidate reference number: \_\_\_\_\_

Date of exam: \_\_\_\_\_

Location of the exam: \_\_\_\_\_

Exam paper number: Sample paper

*(Please note the mark breakdown information in italics is provided for the purposes of the sample paper only. This will not be available on the live examination papers).*

### General notes

- Time allowed 3 hours.
- 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). Two questions are based on the case study, the remainder being stand alone topics.
- *Project Risk Analysis and Management* (PRAM) guides are permitted for reference use in this examination.
- Use ink, not pencil to answer all questions.

### On completion of the examination

- Please collate your answer sheets into question number order.
- Complete the information below before inserting this booklet and your answers into the envelope provided.

Question number	Number of pages	Office use only

## Case Study: Greenfields

The University of Greenfields would like to expand their civil engineering department and have been seeking a suitable location to construct an integrated administrative and teaching complex. The buildings will have lecture theatre and tutorial rooms, accommodation and administrative facilities and should ideally be within a 3 mile radius of the main university campus. A major design requirement is that BREEAM environmental standards are met. BREEAM, (Building Research Establishments Ltd Environmental Assessment Method) which helps further education colleges to set environmental targets, is not only important to the University but to Local Government also and will have a major influence in obtaining planning permission.

The local council has proposed a disused factory site, the Car Build Industrial Estate. Although the site is now derelict and will require clearing before any construction can take place it is just 2 miles from the University main buildings providing ease of access between departments. The site is close to a recently extended main road connecting Greenfields town centre with a large housing development, Newtown, which has a reliable and frequent public transport service. As part of a national conservation initiative, supported by the University, a cycle path has been built along an old drained canal route which runs from the town centre, along the perimeter of the Industrial Estate and onto Newtown.

The expansion of the University has attracted a lot of publicity and strong feeling both for and against the development. The business community sees the increase in student population as very positive whilst residents of Newtown are concerned that the increased traffic will cause excessive congestion. In addition, a local environmental group have raised the problem of site clearance saying that Car Build Industrial Estate had been used for the disposal of hazardous material. The Group say that although the material is safe if undisturbed, removing it will necessitate quarantining the area and closing the cycle way and half of the adjoining main road for some 3 months.

You are the new risk manager for this project and have been asked to implement a realistic management process. With the project being in a very early stage estimates of time and cost are considered unreliable but guidance on obtaining more accurate estimates is needed.

## Section A - Case Study

This section is compulsory

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

- 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)

*Note that there are no marks to be gained by simply copying from PRAM Guide, marks are only awarded for the candidate demonstrating understanding what should be in the Risk Management Plan for this specific case study.*

- d) State 10 risks that may occur on this project. Ensure that risks are stated using the format cause – risk event – effect. (30 marks)
- e) For 2 (two) of the stated risks
- state who (in your opinion) the potential owner would be (2 marks per risk)
  - explain (again in your opinion) what could be done to respond to the risk (3 marks per risk)
  - state (in your opinion) what would be the most significant secondary risk (2 marks per risk)
  - explain (again in your opinion) what could be done to respond to any potential secondary risk(s) (3 marks per risk)

## 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 stand alone questions.

2) a) Explain, by means of specific examples, how the management of 2 negative risk events could help to optimize achievement of project objectives. **(20 marks)**

*The marks will be awarded in the following way:*

- *Selection of a relevant negative risk and summarizing what it is or means e.g. its relevance in the context of the question* **(2 marks per risk)**
- *Clarify/demonstrate further comprehension of the influence of risk event management on project risk* **(5 marks per risk)**
- *Justify as to how the management of the negative risk will influence the achievement of project objectives* **(3 marks per risk)**

b) Explain, by means of specific examples, how the management of 2 positive risk events could help to optimize achievement of project objectives. **(20 marks)**

*The marks will be awarded in the following way:*

- *Selection of a relevant positive risk and summarizing what it is or means e.g. its relevance in the context of the question* **(2 marks per risk)**
- *Clarify/demonstrate further comprehension of the influence of risk event management on project risk* **(5 marks per risk)**
- *Justify as to how the management of the positive risk will influence the achievement of project objectives* **(3 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)**

*Please note it is not sufficient for candidates to just repeat sections from the PRAM Guide, but must demonstrate a detailed understanding as to why the management of threat and opportunity is important.*

**Total 50 marks**

3) a) Explain why the derivation of project specific scales would be an important part of the qualitative risk assessment phase. **(10 marks)**

*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)**

**Total 50 marks**

#### Question 4

Explain how 5 different project risk identification techniques can support the achievement of a project's objectives. For each technique identified, marks will be awarded as follows:

- Select a relevant identification technique. (2 marks)
- Clarify/demonstrate comprehension of how this technique can support the achievement of a project's objectives. (5 marks)
- Give a relevant example which illustrates application of the explanation being given. (3 marks)

**Total marks: 50**

#### Question 5

Explain how 5 different benefits of project risk management (hard and/or soft) can add value to an organization. Marks will be awarded as follows:

- Select a relevant benefit (1 mark)
- Clarify/demonstrate comprehension of the added value to an organization (4 marks)
- Give a relevant example which illustrates application of the explanation being given (5 marks)

**Total marks: 50**