

# APM Project Risk Management Single Subject Certificate – Level 2 Examination Paper

## General Notes

Time allowed **3¼ hours**.

You **must** also enter your candidate number and test code on your examination script.

**Use ink**, not pencil, to answer all questions.

**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). 2 questions are based on the case study, the remainder being stand-alone topics.

|                  |                               |
|------------------|-------------------------------|
| Candidate Number |                               |
| Exam Date        |                               |
| Exam Location    |                               |
| Test Code        |                               |
| Reference        | Sample Paper = Greenfields v1 |

| Question number | Number of pages        | Office use only |
|-----------------|------------------------|-----------------|
|                 |                        |                 |
|                 |                        |                 |
|                 |                        |                 |
|                 | <b>Overall score %</b> |                 |

Project Risk Analysis and Management (PRAM) Guidebooks are permitted for reference use in this examination

On completion of the examination:

Please collate your answer sheets into question number order

Complete the table on your above and secure this question paper and your answers with the tag

**Do not open this paper until instructed by the invigilator.**

**All candidate markings on the question paper will be disregarded unless specifically stated otherwise.**

**This question paper must not be removed from the examination room.**

| ALL CANDIDATES MUST COMPLETE THIS SECTION   |  |
|---|--|
| APM shares your results with your training provider.  |  |
| If applicable, please enter your current employer here:<br><i>This is for statistical monitoring only and we will not share your personal details with your employer.</i>   |  |
| We look after your data carefully; please ask for our privacy policy or search for it at <a href="http://www.apm.org.uk">www.apm.org.uk</a> for more detail. We'd like to send you information about APM, project management and our products and services. You can tell us how you'd like to receive information online or by calling us, and opt out at any time: |  |
| <input type="checkbox"/> <b>Yes please</b> – I'd like you to keep me up to date   | <input type="checkbox"/> <b>No thanks</b> – only send me essential information |

| UNREGISTERED CANDIDATES MUST ALSO COMPLETE THIS SECTION   |  |            |  |
|---|--|------------|--|
| *First name   |  | *Last name |  |
| *Email address  |  |            |  |
| <i>*All are mandatory fields in order to process your examination script and issue your results</i> |  |            |  |

## CASE STUDY – Greenfields

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Due to a sudden increase in students applying for civil engineering courses, the University of Greenfields want to expand their civil engineering department. This growth has been driven by a government initiative to increase the number of engineering graduates.

The University have been seeking a suitable location to build a new complex which will consist of a lecture theatre, tutorial rooms, student accommodation, sports hall and administrative facilities. The University has stipulated that the design of the new complex must reflect the innovative image it is promoting and meet new and very challenging environmental targets. The final design will be submitted for a prestigious architectural award. Winning the award would raise the profile of the University and contribute to its strategy in becoming the leading University in its field. However, a previous attempt to win a similar award failed due to a lack of cooperation between departments. There is also a history of projects overrunning and overspending.

The local authority has stated that any new design must reflect the industrial heritage of the area. The University has employed a well-known architect to design the new complex.

An initial budget of £150m has been allocated for the project with planned opening in 2 years for the start of the academic year. One of the local councillors has been quoted as saying that the development could create over 200 local jobs during the build and contribute over £50m to the local economy over the next 3 years. Funding is provided by a combination of government grants (30%), University funds (50%) and a donation from a local business owner (20%).

The Local Authority has proposed a disused industrial site within 2 miles of the existing University and 1 mile from Greenfields town centre. The proposed site is close to a new large housing development and is connected to Greenfields via an extensive network of cycle paths. The proposed site has been derelict for many years and has become a home for a wide range of wildlife. Due to its industrial past the site may contain hazardous material including asbestos and chemical waste.

The planned expansion of the University has attracted a lot of publicity and there is strong feeling both for and against the development. The local business community see the increase in student population as very positive whilst local residents are concerned that the increased traffic will cause excessive congestion. In addition, a local environmental group is concerned about the impact of the development on wildlife and green space. They have also complained about the proposed closure of the adjacent cycle path during construction.

The project is in its very early stages and detailed estimates of time and costs have still to be determined.

You have recently gained your APM Risk qualification and have been asked to join the University's project team on a consultancy basis to help implement a robust risk management process on the project.

## SECTION A – Case Study

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All questions in this section are compulsory

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

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- (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)
- (30 marks)

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

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

## SECTION B

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Choose any 2 questions from the following 4 questions. Questions 2 and 3 relate to the case study, questions 4 and 5 are not case study related.

### Question 2 based on the case study (total 50 marks)

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- (a) Explain, by means of specific examples, how the management of two threat events could help to optimize achievement of project objectives. The marks will be awarded in the following way:
- Selection of a relevant threat and summarizing what it is or means e.g. its relevance in the context of the question.  
(1 mark per risk)
  - Justify as to how the management of the threat will influence the achievement of project objectives.  
(4 marks per risk)
  - Clarify/demonstrate further comprehension of how the taking of a specific approach can influence risk event management and project risk.  
(5 marks per risk)
- (b) events could help to optimize achievement of project objectives. The marks will be awarded in the following way:
- Selection of a relevant opportunity and summarizing what it is or means e.g. its relevance in the context of the question  
(1 mark per risk)
  - Justify as to how the management of the opportunity will influence the achievement of project objectives  
(4 marks per risk)
  - Clarify/demonstrate further comprehension of the influence of risk event management on project risk  
(5 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)

**Question 3** based on the case study (total 50 marks)

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

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)

**Warning** Note that there are no marks to be gained by simply copying from the PRAM Guide, marks are only awarded for the candidate demonstrating application to this specific case study.

**Question 4** (total 50 marks)

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**Explain how five different benefits of project risk management (hard and/or soft) can add value to an organisation. For each benefit, marks will be awarded as follows:**

- (a) State a benefit of project risk management**

(1 mark)

- (b) State the perceived added value to an organisation**

(4 marks)

- (c) Using an example or anecdote, illustrate your stated benefit.**

(5 marks)

**Question 5** (total 50 marks)

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

- (a) **Select a relevant identification technique**  
(1 mark)
- (b) **Clarify/demonstrate comprehension of how this technique can be used to support the achievement of a project's objectives**  
(4 marks)
- (c) **Give a relevant example which illustrates application of the technique being explained.**  
(5 marks)

SAMPLE

## Notes

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This page will not be marked

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**We are the only chartered membership  
organisation for the project profession**

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