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# ABA

*CERP*  
*Certified Enterprise Risk Professional (CERP)*

## Questions & Answers PDF

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# Latest Version: 6.0

## Question: 1

What knowledge is required to identify key idiosyncratic risks?

Response:

- A. Likelihood, impact, direction, and velocity for assessing risks
- B. Types of risk events and their potential impact
- C. Criteria for business criticality and risk appetite
- D. Basic processes and principles of banking

**Answer: B**

## Question: 2

How does root cause analysis contribute to preparing action plans?

Response:

- A. By evaluating the appropriateness of management's risk response
- B. By identifying the underlying causes of risk events
- C. By assessing the effectiveness of risk mitigation measures
- D. By documenting risk events and their impact

**Answer: B**

## Question: 3

How can MIS reports to board and senior management effectively escalate attention to important risk mitigation actions?

Response:

- A. By conducting risk aggregation analysis
- B. By managing risk with system limitations
- C. By utilizing investigative techniques
- D. By designing elements to highlight risk mitigation actions

**Answer: D**

### Question: 4

What knowledge is required to effectively challenge risk metric calculations?

Response:

- A. Key credit, financial, and non-financial risk measures
- B. Evaluation of inherent risk, control environment, and residual risk
- C. Calculation of risk metrics
- D. Types of events used in stress testing and scenario analysis

**Answer: A**

### Question: 5

What is the role of an independent ERM function in coordinating timing, coverage, and scope of risk management reviews?

Response:

- A. Supporting effective exam management
- B. Assessing the adequacy of controls for financial reporting
- C. Determining if the internal control framework aligns with organizational needs
- D. Coordinating risk management activities with control partners

**Answer: D**

### Question: 6

What is the purpose of aggregating risks across multiple risk types?

Response:

- A. To evaluate the effects of diversification or amplification on aggregated risks
- B. To identify areas of high risk concentration
- C. To assess the potential upstream/downstream impact of risk events
- D. To provide a comprehensive view of risks across different risk types

**Answer: D**

### Question: 7

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What is the significance of understanding typical sources of risk concentration in evaluating risk relative to risk appetite and risk tolerance?

Response:

- A. To calculate risk metrics and quantitative measures
- B. To assess the potential upstream/downstream impact of risk events
- C. To identify areas of high risk concentration
- D. To perform root cause analysis

**Answer: C**

### Question: 8

Risk appetite and risk culture can influence:

Response:

- A. Supply chain management
- B. Employee compensation
- C. Customer relationship management
- D. Marketing campaigns

**Answer: B**

### Question: 9

What is the purpose of completing risk and control self-assessments (RCSAs)?

Response:

- A. To estimate the likelihood and impact of events
- B. To evaluate the inherent risk, control environment, and residual risk
- C. To identify key credit, financial, and non-financial risk measures
- D. To assess the effectiveness of risk mitigation controls

**Answer: B**

### Question: 10

What is the purpose of responding to findings from regulators, independent third parties, and audit?

Response:

- A. To evaluate the effectiveness of risk responses
- B. To determine the organization's risk appetite and tolerance

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- C. To document findings and their impact
  - D. To address and resolve identified issues and recommendations

<b>Answer: D</b>
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