



**Free Questions for 8004 by certsinside**

**Shared by Fernandez on 29-01-2024**

**For More Free Questions and Preparation Resources**

**Check the Links on Last Page**

## Question 1

---

**Question Type:** MultipleChoice

---

When supervising others, a PRMIA member must comply with

### Options:

---

- A- PRMIA Standards
- B- the standards of the organization where the work is being performed
- C- his / her established personal standards of work approved in previous work situations
- D- local regulatory authority standards which may be less onerous than PRMIA standards

### Answer:

---

A

## Question 2

---

**Question Type:** MultipleChoice

---

The Basic Knowledge a PPRMIA member should comply with, as stipulated within the PRMIA Standards of Best Practice, Conduct & Ethics, is to

**Options:**

---

- A-** only improve their PERSONAL professional competence
- B-** maintains and improve their professional competence and strive to maintain and improve the competence of other risk professionals
- C-** only possess the required skills and/or certification to complete the risk assessment / management work at hand
- D-** learn from a qualified risk management practitioner

**Answer:**

---

B

## Question 3

---

**Question Type: MultipleChoice**

---

With respect to the Purpose of Professional Standards, in the event of any difference in standards between local laws/rules and those of PRMIA, members must

### Options:

---

- A- use their best judgment
- B- abide by the applicable laws, rules, and regulations of PRMIA and any government and/or regulatory bodies
- C- comply with the higher standard under all circumstances
- D- refer the matter to their supervisor

### Answer:

---

C

## Question 4

---

### Question Type: MultipleChoice

---

A risk manager has just completed a risk assessment project. The report has been given to the risk manager's direct supervisor, who refuses to escalate the material issues raised in the report. Further, the direct supervisor edits the report to remove the section describing the material risk, who then submits it to the firm's Executive Committee.

According to the PRMIA Standards of Best Practice, Conduct and Ethics (Code of Conduct), which of the following actions is most appropriate:

### Options:

---

- A- The risk manager has submitted the report to their direct supervisor and their obligation ends at this point, nothing further should be done
- B- The risk manager should attempt to resolve the conflict with the direct supervisor, but if that does not work, they should contact the Whistle-Blowing Hotline of the organization. If no such hot-line is in place, they should contact the PRMIA Ethics Committee
- C- Escalation of the issue is against the Code of Conduct because one should respect the administrative structure of the organization
- D- If the risk manager deems it appropriate, he / she should send a copy of the original report to the CEO

### Answer:

---

B

## Question 5

---

### Question Type: MultipleChoice

---

A risk manager finds that a client is engaged in a practice that looks like money laundering.

According to the PRMIA Standards of Best Practice, Conduct and Ethics (Code of Conduct), the risk manager should:

### Options:

---

- A- Approach the client about the concern, regardless of what their reaction might be
- B- Respect the client's confidentiality as that takes precedence
- C- Report this conduct to their immediate supervisor
- D- Report the findings immediately to authorities

### Answer:

---

C

## Question 6

---

### Question Type: MultipleChoice

---

A risk manager is asked to analyze the credit risk of a convertible bond. The risk manager has never analyzed convertible bonds, but does have significant expertise in credit risk. The risk manager accepts the assignment, finds a paper on the subject through the PRMIA web site and copies the method used there. The risk manager completes the assignment and delivers a report to his or her direct supervisor and the supervisor is quite pleased.

According to the PRMIA Standards of Best Practice, Conduct and Ethics (Code of Conduct), this was acceptable behavior if the following conditions were met:

I The risk manager disclosed the lack of knowledge about convertible bonds

II The methodology employed is disclosed and explained

III The report was just to be used for analysis and not in practice

IV The risk manager was sure of his/her understanding of the paper found on the web

**Options:**

---

A- I and II

B- I, II and IV

C- I, II and III

D- I only

**Answer:**

---

A

## Question 7

---

**Question Type:** MultipleChoice

---

Which of the following is NOT part of the PRMIA Standards of Best Practice, Conduct and Ethics (Code of Conduct) Guidance on Ethical Behavior?

**Options:**

---

- A- Ensure globally accepted standards are adhered to at all costs
- B- Respect local customs
- C- Respect local laws and regulations
- D- Take responsibility for your work

**Answer:**

---

A

## Question 8

---

**Question Type: MultipleChoice**

---

Which is NOT part of the guidance on Professional Conduct in the PRMIA Standards of Best Practice, Conduct and Ethics (Code of Conduct)?



**Options:**

---

- A- Know and abide by applicable rules and regulations
- B- Clearly inform all affected parties of any apparent or actual conflicts of interest
- C- Report to the Regulator any departures from generally accepted methodology or practices
- D- Provide advice that is clear and accurate

**Answer:**

---

C

## Question 9

---

**Question Type: MultipleChoice**

---

When local rules and regulations conflict with the PRMIA Standards of Best Practice, Conduct and Ethics the PRMIA member should ...

**Options:**

---

- A- Seek advice from a qualified party, being mindful of legal and confidentiality requirements

- B-** Modify the interpretation of local rules and regulations to meet the situation
- C-** Ignore local rules and regulations
- D-** Respect local rules and regulations

**Answer:**

---

A

## Question 10

---

**Question Type:** MultipleChoice

---

According to the G-30 Study, the risk management infrastructure's funding must be

**Options:**

---

- A-** determined by business-unit leaders
- B-** determined at the Board level with inputs from business unit leaders
- C-** determined at the Board level without influence by business unit leaders
- D-** determined by the regulators

**Answer:**

---

C

## Question 11

---

**Question Type: MultipleChoice**

---

According to the Group of 30 Report, option contracts:

**Options:**

---

- A-** Always generate credit risk to both counterparties
- B-** Create credit risk only for the buyer (due to default by the seller) provided the premium is due, and paid, at contract initiation
- C-** Create no credit risk, since the buyer need not exercise the option
- D-** Usually create credit risk only for the seller (to default by the buyer)

**Answer:**

---

B

## Question 12

---

**Question Type:** MultipleChoice

---

According to the Group of 30 Report, deriving aggregate potential credit exposure for a counterparty by adding up the potential exposure of multiple transactions:

### Options:

---

- A- Gives an accurate result in most cases
- B- Captures portfolio effects but not tenor differences
- C- Can easily reflect the impact of netting
- D- Overstates exposure in most cases

### Answer:

---

D

**To Get Premium Files for 8004 Visit**

**<https://www.p2pexams.com/products/8004>**

**For More Free Questions Visit**

**<https://www.p2pexams.com/prmia/pdf/8004>**

