

# PRMIA ORM

**PRMIA OPERATIONAL RISK MANAGEMENT CERTIFICATION  
QUESTIONS & ANSWERS**

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Exam Summary – Syllabus – Questions

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## **ORM**

**PRMIA Operational Risk Management (ORM)**

**60 Questions Exam – 60% Cut Score – Duration of 120 minutes**

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## Know Your ORM Certification Well:

The ORM is best suitable for candidates who want to gain knowledge in the PRMIA Risk Management. Before you start your ORM preparation you may struggle to get all the crucial Operational Risk Management materials like ORM syllabus, sample questions, study guide.

But don't worry the ORM PDF is here to help you prepare in a stress free manner.

The PDF is a combination of all your queries like-

- What is in the ORM syllabus?
- How many questions are there in the ORM exam?
- Which Practice test would help me to pass the ORM exam at the first attempt?

Passing the ORM exam makes you PRMIA Operational Risk Management (ORM). Having the Operational Risk Management certification opens multiple opportunities for you. You can grab a new job, get a higher salary or simply get recognition within your current organization.

## PRMIA ORM Operational Risk Management Certification Details:

Exam Name	PRMIA Operational Risk Management
Exam Code	ORM
Exam Fee	Sustaining Member Price - \$549 Contributing Member Price - \$572 Non-member Price - \$599
Exam Duration	120 Minutes
Number of Questions	60
Passing Score	60%
Format	Multiple Choice Questions
Schedule Exam	<a href="#">Pearson VUE</a>
Sample Questions	<a href="#">PRMIA Operational Risk Management Exam Sample Questions and Answers</a>
Practice Exam	<a href="#">PRMIA Operational Risk Management (ORM) Practice Test</a>

## ORM Syllabus:

Topic	Details
Introduction	<ul style="list-style-type: none"> <li>- Overview of Risk Management Frameworks &amp; ESG/Climate Risk</li> <li>- Continuing to Embed Risk Best Practices</li> </ul>
Risk Governance	<ul style="list-style-type: none"> <li>- Governance               <ul style="list-style-type: none"> <li>• Origins of Corporate Governance</li> <li>• Risk Governance and Strategic Planning</li> <li>• Risk Governance Principles</li> </ul> </li> <li>- People / Roles and Responsibilities               <ul style="list-style-type: none"> <li>• The Board</li> <li>• CRO</li> <li>• Wider Reporting</li> <li>• Systems and Documentation</li> </ul> </li> <li>- Process               <ul style="list-style-type: none"> <li>• Theory</li> <li>• Risk Management Process</li> <li>• Results</li> </ul> </li> <li>- Risk Governance Developments</li> </ul>
Risk Management Framework	<ul style="list-style-type: none"> <li>- Risk Capacity               <ul style="list-style-type: none"> <li>• Risk Capacity</li> <li>• Resources and Risk Capacity</li> <li>• Stress Testing and Simulation</li> <li>• Setting the Risk Capacity</li> </ul> </li> <li>- Risk Appetite               <ul style="list-style-type: none"> <li>• Risk Appetite</li> <li>• The Risk Appetite in an Organization</li> <li>• An Example Risk Appetite Statement</li> </ul> </li> <li>- Risk Policies               <ul style="list-style-type: none"> <li>• Introduction to Policies</li> <li>• Structure of a Risk Policy</li> <li>• Risk Policies in an Organization</li> <li>• Policy Coverage</li> </ul> </li> <li>- Risk Pricing               <ul style="list-style-type: none"> <li>• Risk Pricing Introduction</li> <li>• Interaction with Internal and External Partners</li> <li>• Capital Costs</li> </ul> </li> <li>- Risk Culture               <ul style="list-style-type: none"> <li>• Leadership and Risk Culture</li> <li>• The Role of the Risk Management Function in Risk Culture</li> <li>• The Place of Other Staff in Risk Culture</li> </ul> </li> </ul>

Topic	Details
Risk Assessment	<ul style="list-style-type: none"> <li>• Evaluating Risk Culture</li> </ul> <ul style="list-style-type: none"> <li>- Risk Assessment               <ul style="list-style-type: none"> <li>• Risk Assessment Overview</li> <li>• Risk Assessment Lifecycle</li> </ul> </li> <li>- Risk Scenarios ('Top Down')               <ul style="list-style-type: none"> <li>• Top Down Identification</li> <li>• Workshops</li> <li>• Example Scenario (DR)</li> </ul> </li> <li>- Process Models ('Bottom Up')               <ul style="list-style-type: none"> <li>• Control Identification (Linking Top-Down and Bottom-Up)</li> <li>• Process Reviews</li> <li>• Control Framework and Assessment</li> </ul> </li> <li>- Operational Risk Issues               <ul style="list-style-type: none"> <li>• Identify Issues and Design Actions Plan</li> <li>• Issue Management</li> <li>• Residual Risk</li> <li>• Management Validation</li> </ul> </li> <li>- Additional Risk Assessment Topics               <ul style="list-style-type: none"> <li>• Risk Assessment of New and Expanded Products</li> <li>• Risk Assessment and Third Party Services</li> </ul> </li> </ul>
Risk Information	<ul style="list-style-type: none"> <li>- Introduction               <ul style="list-style-type: none"> <li>• Risk Appetite and Risk Profile</li> <li>• Expected Loss</li> <li>• Unexpected Loss</li> </ul> </li> <li>- Loss Investigations               <ul style="list-style-type: none"> <li>• Operational Risk Incidents &amp; Investigation</li> <li>• Collecting Loss Data</li> <li>• Quantifying Losses</li> <li>• Boundary Issues</li> <li>• External Loss Data</li> </ul> </li> <li>- Key Risk Indicators (KRIs)               <ul style="list-style-type: none"> <li>• Introduction to KRIs</li> <li>• Selecting Appropriate KRIs</li> <li>• Interdependent KRIs</li> <li>• Implementing a KRI Framework</li> </ul> </li> <li>- Risk Reporting &amp; Toolsets               <ul style="list-style-type: none"> <li>• Data Model</li> <li>• Workflows</li> <li>• Reporting</li> </ul> </li> </ul>
Compliance Risk	- Introduction

Topic	Details
	<ul style="list-style-type: none"> <li>• Defining compliance risk</li> <li>• Drivers of change for compliance risk</li> </ul> - Types of Compliance Risk <ul style="list-style-type: none"> <li>• Codified</li> <li>• Non-Codified</li> </ul> - Compliance Risk Topics <ul style="list-style-type: none"> <li>• Consumer Protection</li> <li>• Financial Crime</li> <li>• Systemic Risks</li> </ul> - Enterprise Compliance Risk Controls                     - Conduct and Culture
Operational Risk Capital	- Capital & Risk Modeling - Risk Capital - Operational Risk Capital - Basel III Developments in Risk Capital
Operational Resilience	- Defining Operational Resilience - Developments in Operational Resilience including DORA - The Operational Resilience Process
Case Studies	- <a href="#">Web-based Resources</a>

## PRMIA ORM Sample Questions:

### Question: 1

Which practice helps reduce the likelihood of compliance violations within operational processes?

- a) Replacing internal compliance frameworks with insurance coverage policies
- b) Delegating compliance responsibilities exclusively to external regulators
- c) Implementing internal controls designed to prevent and detect regulatory breaches
- d) Eliminating formal compliance monitoring procedures across business units

**Answer: c**

### Question: 2

Which factor most directly strengthens organizational accountability for regulatory compliance?

- a) Replacement of internal compliance frameworks with automated reporting systems
- b) Clearly defined compliance responsibilities assigned to management and operational staff
- c) Delegation of compliance monitoring exclusively to external legal advisors
- d) Elimination of compliance oversight responsibilities across business units

**Answer: b**

**Question: 3**

In an effective operational risk governance structure, which body holds ultimate accountability for approving the institution's operational risk framework and risk appetite?

- a) Internal audit department responsible for evaluating the effectiveness of internal control systems
- b) Business line managers responsible for executing daily operational risk management activities
- c) Compliance function responsible for interpreting regulatory requirements and reporting breaches
- d) Board of Directors responsible for approving enterprise risk strategy and governance oversight

**Answer: d**

**Question: 4**

An operational risk manager analyzes historical loss data and identifies several large losses caused by employee fraud in trading operations. Which control measure would most effectively reduce this risk?

- a) Reducing regulatory reporting requirements across trading operations
- b) Increasing operational risk capital reserves held by the institution
- c) Replacing internal control procedures with insurance coverage arrangements
- d) Implementing segregation of duties and enhanced monitoring of trading activities

**Answer: d**

**Question: 5**

A bank conducts workshops with business managers to identify risks and evaluate existing controls. Which operational risk tool is most likely being applied?

- a) Stress testing methodology applied to credit portfolios under adverse scenarios
- b) Risk and Control Self-Assessment used to evaluate operational risks and control effectiveness
- c) Value-at-Risk model designed to estimate potential market losses under normal conditions
- d) Funds transfer pricing system used to allocate liquidity costs among business units

**Answer: b**

**Question: 6**

Which factor most commonly introduces bias into operational risk assessments conducted by business units?

- a) Internal audit performing periodic reviews of operational risk management procedures
- b) Managers understating risks to avoid increased monitoring or additional control requirements
- c) Risk management teams providing standardized scoring methodologies for assessments
- d) Regulators requiring institutions to report operational loss events to supervisory agencies

**Answer: b**

**Question: 7**

A financial institution's operational risk team identifies that employees frequently fail to report minor operational incidents because they fear disciplinary consequences. Which risk management issue does this situation most clearly indicate?

- a) Strong operational resilience capabilities supporting service continuity during disruptions
- b) Effective compliance monitoring across regulatory reporting requirements
- c) Weak risk culture discouraging transparent reporting of operational risk incidents
- d) Excessive operational risk capital allocation across operational business units

**Answer: c**

**Question: 8**

During a risk and control self-assessment exercise, managers identify a high likelihood of operational errors in a manual reconciliation process. However, they determine that strong automated validation controls significantly reduce potential losses. Which type of risk remains after considering these controls?

- a) Residual risk remaining after the effectiveness of operational controls is considered
- b) Liquidity risk representing potential funding shortages during market stress
- c) Market risk representing potential financial losses from asset price changes
- d) Inherent risk representing exposure before any control measures are applied

**Answer: a**

**Question: 9**

Why is tone at the top considered an essential component of operational risk governance?

- a) It allows senior management to bypass governance reporting requirements during crises
- b) It determines compensation levels for employees responsible for risk management activities
- c) It replaces internal control systems with executive decision-making authority
- d) It establishes leadership commitment to ethical conduct and effective risk management practices

**Answer: d**

**Question: 10**

Which operational resilience principle ensures that organizations can continue delivering critical services despite failures in individual operational components?

- a) Designing operational processes with redundancy and alternative service delivery capabilities
- b) Eliminating operational risk monitoring responsibilities across business units
- c) Delegating operational resilience oversight exclusively to external regulatory authorities
- d) Replacing internal control frameworks with insurance coverage arrangements

**Answer: a**

## Study Guide to Crack PRMIA Operational Risk Management ORM Exam:

- Getting details of the ORM syllabus, is the first step of a study plan. This pdf is going to be of ultimate help. Completion of the syllabus is must to pass the ORM exam.
- Making a schedule is vital. A structured method of preparation leads to success. A candidate must plan his schedule and follow it rigorously to attain success.
- Joining the PRMIA provided training for ORM exam could be of much help. If there is specific training for the exam, you can discover it from the link above.
- Read from the ORM sample questions to gain your idea about the actual exam questions. In this PDF useful sample questions are provided to make your exam preparation easy.
- Practicing on ORM practice tests is must. Continuous practice will make you an expert in all syllabus areas.

## Reliable Online Practice Test for ORM Certification

Make ProcessExam.com your best friend during your PRMIA Operational Risk Management exam preparation. We provide authentic practice tests for the ORM exam. Experts design these online practice tests, so we can offer you an exclusive experience of taking the actual ORM exam. We guarantee you 100% success in your first exam attempt if you continue practicing regularly. Don't bother if you don't get 100% marks in initial practice exam attempts. Just utilize the result section to know your strengths and weaknesses and prepare according to that until you get 100% with our practice tests. Our evaluation makes you confident, and you can score high in the ORM exam.

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