

program, it is probable that the organization will decide that it is an acceptable risk if sufficiently minimized. Transferred risk is risk that has been assumed by a third party, therefore its magnitude is not relevant. Accordingly, choices B and D are incorrect since transferred risk does not necessarily indicate whether risk is at an acceptable level. Minimizing residual risk will not reduce control risk.

QUESTION 218

The MOST appropriate owner of customer data stored in a central database, used only by an organization's sales department, would be the:

- A. sales department.
- B. database administrator.
- C. chief information officer (CIO).
- D. head of the sales department.

Correct Answer: D

Explanation:

The owner of the information asset should be the person with the decision-making power in the department deriving the most benefit from the asset. In this case, it would be the head of the sales department. The organizational unit cannot be the owner of the asset because that removes personal responsibility. The database administrator is a custodian. The chief information officer (CIO) would not be an owner of this database because the CTO is less likely to be knowledgeable about the specific needs of sales operations and security concerns.

QUESTION 219

An online banking institution is concerned that the breach of customer personal information will have a significant financial impact due to the need to notify and compensate customers whose personal information may have been compromised. The institution determines that residual risk will always be too high and decides to:

- A. mitigate the impact by purchasing insurance.
- B. implement a circuit-level firewall to protect the network.
- C. increase the resiliency of security measures in place.
- D. implement a real-time intrusion detection system.

Correct Answer: A

Explanation:

Since residual risk will always be too high, the only practical solution is to mitigate the financial impact by purchasing insurance.

QUESTION 220

When performing a quantitative risk analysis, which of the following is MOST important to estimate the potential loss?

- A. Evaluate productivity losses
- B. Assess the impact of confidential data disclosure
- C. Calculate the value of the information or asset
- D. Measure the probability of occurrence of each threat

Correct Answer: C

Explanation:

Calculating the value of the information or asset is the first step in a risk analysis process to

determine the impact to the organization, which is the ultimate goal. Determining how much productivity could be lost and how much it would cost is a step in the estimation of potential risk process. Knowing the impact if confidential information is disclosed is also a step in the estimation of potential risk. Measuring the probability of occurrence for each threat identified is a step in performing a threat analysis and therefore a partial answer.

QUESTION 221

The recovery time objective (RTO) is reached at which of the following milestones?

- A. Disaster declaration
- B. Recovery of the backups
- C. Restoration of the system
- D. Return to business as usual processing

Correct Answer: C

Explanation:

The recovery time objective (RTO) is based on the amount of time required to restore a system; disaster declaration occurs at the beginning of this period. Recovery of the backups occurs shortly after the beginning of this period. Return to business as usual processing occurs significantly later than the RTO. RTO is an "objective," and full restoration may or may not coincide with the RTO. RTO can be the minimum acceptable operational level, far short of normal operations.

QUESTION 222

Which of the following would be MOST relevant to include in a cost-benefit analysis of a two-factor authentication system?

- A. Annual loss expectancy (ALE) of incidents
- B. Frequency of incidents
- C. Total cost of ownership (TCO)
- D. Approved budget for the project

Correct Answer: C

Explanation:

The total cost of ownership (TCO) would be the most relevant piece of information in that it would establish a cost baseline and it must be considered for the full life cycle of the control. Annual loss expectancy (ALE) and the frequency of incidents could help measure the benefit, but would have more of an indirect relationship as not all incidents may be mitigated by implementing a two-factor authentication system. The approved budget for the project may have no bearing on what the project may actually cost.

QUESTION 223

The PRIMARY objective of a risk management program is to:

- A. minimize inherent risk.
- B. eliminate business risk.
- C. implement effective controls.
- D. minimize residual risk.

Correct Answer: D

Explanation:

The goal of a risk management program is to ensure that residual risk remains within manageable levels. Management of risk does not always require the removal of inherent risk nor

is this always possible. A possible benefit of good risk management is to reduce insurance premiums, but this is not its primary intention. Effective controls are naturally a clear objective of a risk management program, but with the choices given, choice C is an incomplete answer.

QUESTION 224

Which of the following authentication methods prevents authentication replay?

- A. Password hash implementation
- B. Challenge/response mechanism
- C. Wired Equivalent Privacy (WEP) encryption usage
- D. HTTP Basic Authentication

Correct Answer: B

Explanation:

A challenge response mechanism prevents replay attacks by sending a different random challenge in each authentication event. The response is linked to that challenge. Therefore, capturing the authentication handshake and replaying it through the network will not work. Using hashes by itself will not prevent a replay. A WEP key will not prevent sniffing (it just takes a few more minutes to break the WEP key if the attacker does not already have it) and therefore will not be able to prevent recording and replaying an authentication handshake. HTTP Basic Authentication is clear text and has no mechanisms to prevent replay.

QUESTION 225

Which of the following BEST describes the scope of risk analysis?

- A. Key financial systems
- B. Organizational activities
- C. Key systems and infrastructure
- D. Systems subject to regulatory compliance

Correct Answer: B

Explanation:

Risk analysis should include all organizational activities. It should not be limited to subsets of systems or just systems and infrastructure.

QUESTION 226

Which of the following risks would BEST be assessed using quantitative risk assessment techniques?

- A. Customer data stolen
- B. An electrical power outage
- C. A web site defaced by hackers
- D. Loss of the software development team

Correct Answer: B

Explanation:

The effect of the theft of customer data or web site defacement by hackers could lead to a permanent decline in customer confidence, which does not lend itself to measurement by quantitative techniques. Loss of a majority of the software development team could have similar unpredictable repercussions. However, the loss of electrical power for a short duration is more easily measurable and can be quantified into monetary amounts that can be assessed with quantitative techniques.

QUESTION 227

Which of the following is the MOST appropriate use of gap analysis?

- A. Evaluating a business impact analysis (BIA)
- B. Developing a balanced business scorecard
- C. Demonstrating the relationship between controls
- D. Measuring current state vs. desired future state

Correct Answer: D

Explanation:

A gap analysis is most useful in addressing the differences between the current state and an ideal future state. It is not as appropriate for evaluating a business impact analysis (BIA), developing a balanced business scorecard or demonstrating the relationship between variables.

QUESTION 228

What does a network vulnerability assessment intend to identify?

- A. 0-day vulnerabilities
- B. Malicious software and spyware
- C. Security design flaws
- D. Misconfiguration and missing updates

Correct Answer: D

Explanation:

A network vulnerability assessment intends to identify known vulnerabilities based on common misconfigurations and missing updates. 0-day vulnerabilities by definition are not previously known and therefore are undetectable. Malicious software and spyware are normally addressed through antivirus and antispymware policies. Security design flaws require a deeper level of analysis.

QUESTION 229

Risk assessment should be built into which of the following systems development phases to ensure that risks are addressed in a development project?

- A. Programming
- B. Specification
- C. User testing
- D. Feasibility

Correct Answer: D

Explanation:

Risk should be addressed as early as possible in the development cycle. The feasibility study should include risk assessment so that the cost of controls can be estimated before the project proceeds. Risk should also be considered in the specification phase where the controls are designed, but this would still be based on the assessment carried out in the feasibility study. Assessment would not be relevant in choice A or C.

QUESTION 230

A security risk assessment exercise should be repeated at regular intervals because:

- A. business threats are constantly changing.
- B. omissions in earlier assessments can be addressed.
- C. repetitive assessments allow various methodologies.
- D. they help raise awareness on security in the business.

Correct Answer: A

Explanation:

As business objectives and methods change, the nature and relevance of threats change as well. Choice B does not, by itself, justify regular reassessment. Choice C is not necessarily true in all cases. Choice D is incorrect because there are better ways of raising security awareness than by performing a risk assessment.

QUESTION 231

Quantitative risk analysis is MOST appropriate when assessment data:

- A. include customer perceptions.
- B. contain percentage estimates.
- C. do not contain specific details.
- D. contain subjective information.

Correct Answer: B

Explanation:

Percentage estimates are characteristic of quantitative risk analysis. Customer perceptions, lack of specific details or subjective information lend themselves more to qualitative risk analysis.

QUESTION 232

Which of the following are the essential ingredients of a business impact analysis (BIA)?

- A. Downtime tolerance, resources and criticality
- B. Cost of business outages in a year as a factor of the security budget
- C. Business continuity testing methodology being deployed
- D. Structure of the crisis management team

Correct Answer: A

Explanation:

The main purpose of a BIA is to measure the downtime tolerance, associated resources and criticality of a business function. Options B, C and D are all associated with business continuity planning, but are not related to the BIA.

QUESTION 233

When performing a risk assessment, the MOST important consideration is that:

- A. management supports risk mitigation efforts.
- B. annual loss expectations (ALEs) have been calculated for critical assets.
- C. assets have been identified and appropriately valued.
- D. attack motives, means and opportunities be understood.

Correct Answer: C

Explanation:

[CISM Exam Dumps](#) [CISM PDF Dumps](#) [CISM VCE Dumps](#) [CISM Q&As](#)

<https://www.ensurepass.com/CISM.html>