

OPERATIONAL RISK MANAGEMENT (ORM) PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Who issues policy guidance for the Navy's ORM program?**
 - A. OPNAV (N09F)
 - B. NAVSAFECEN
 - C. NETC
 - D. Naval Manpower Analysis Center
- 2. What term describes the frequency, duration, and percentage of individuals or assets exposed to a hazard?**
 - A. Exposure
 - B. Risk
 - C. Residual Risk
 - D. Hazard Analysis
- 3. What are the three levels that the risk management process is applied on?**
 - A. Time Critical
 - B. In-depth
 - C. Deliberate
 - D. Time Sensitive
- 4. How many steps are incorporated in the Navy Planning process?**
 - A. 4
 - B. 5
 - C. 6
 - D. 7
- 5. What does effective organizational structure facilitate in ORM?**
 - A. Unclear roles and high levels of ambiguity
 - B. Management of risks through defined roles and responsibilities
 - C. Increased operational risk without oversight
 - D. Complete independence from risk assessments

- 6. Which component is NOT typically included in Operational Risk Management (ORM)?**
- A. Risk assessment
 - B. Risk identification
 - C. Market analysis
 - D. Risk mitigation
- 7. In which department does OPNAV (N09F) operate within the Navy?**
- A. Intelligence
 - B. Operations
 - C. Safety
 - D. Logistics
- 8. What is the primary goal of the ORM process?**
- A. To minimize costs
 - B. To ensure compliance
 - C. To enhance mission success
 - D. To develop leadership skills
- 9. What is the role of controls in ORM?**
- A. They only report risks
 - B. They solely increase risks
 - C. They mitigate or eliminate hazards
 - D. They document success stories
- 10. What is a risk register used for in ORM?**
- A. Tracking employee attendance
 - B. Documenting financial statements
 - C. Recording identified risks and their mitigation strategies
 - D. Monitoring customer feedback

Answers

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1. A
2. A
3. A
4. C
5. B
6. C
7. C
8. C
9. C
10. C

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Explanations

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1. Who issues policy guidance for the Navy's ORM program?

- A. OPNAV (N09F)
- B. NAVSAFECEN
- C. NETC
- D. Naval Manpower Analysis Center

The Navy's ORM policy guidance is issued by OPNAV (N09F), which is the Office of the Chief of Naval Operations. This office is responsible for formulating, implementing, and managing policies that pertain to operational risk management within the Navy. The guidance provided by OPNAV (N09F) encompasses various elements, including risk assessment frameworks, training, and procedures to ensure that operational risks are effectively identified and managed. In contrast, while NAVSAFECEN plays a critical role in safety and risk management practices, its focus is more on safety recommendations and initiatives rather than overarching policy guidance for ORM. NETC is primarily focused on training and education within the Navy, which, though important, does not encompass the policy-making aspect of ORM. Naval Manpower Analysis Center is involved in human resource analysis and personnel management, not in issuing ORM policy guidance. Therefore, OPNAV (N09F) is rightly identified as the correct choice for issuing the policy guidance related to the Navy's ORM program.

2. What term describes the frequency, duration, and percentage of individuals or assets exposed to a hazard?

- A. Exposure
- B. Risk
- C. Residual Risk
- D. Hazard Analysis

The term that accurately describes the frequency, duration, and percentage of individuals or assets exposed to a hazard is "Exposure." Exposure is a fundamental concept in operational risk management as it assesses how much risk is associated with potential hazards by quantifying how many people or assets are at risk and for how long. Understanding exposure is critical for organizations to implement effective risk management strategies, as it helps in identifying which assets are most vulnerable and how they might be impacted by certain hazards. This measurement informs the development of appropriate controls or mitigations to manage the associated risks effectively. Risk typically refers to the combination of the likelihood of an event occurring and the consequences of that event, but it does not specifically address the frequency and duration of exposure as direct indicators. Residual risk pertains to the amount of risk remaining after controls have been put in place, and hazard analysis is a systematic process used to identify and evaluate hazards, but it does not directly quantify exposure metrics. Therefore, exposure is the most relevant term in the context of the question.

3. What are the three levels that the risk management process is applied on?

- A. Time Critical**
- B. In-depth
- C. Deliberate
- D. Time Sensitive

The correct answer highlights one of the foundational aspects of risk management. The risk management process operates on three distinct levels, which are indicative of the urgency and significance of the risks being managed in different scenarios. The level referred to by the answer encapsulates a type of decision-making that must occur rapidly, often in dynamic environments where immediate responses to risks are necessary. This is particularly important in operational risk management, where not addressing a risk swiftly can lead to significant adverse outcomes. Understanding the context of risk management as being applicable in both urgent situations and more thorough assessments helps professionals grasp how to adapt their strategies based on the level of urgency (like time-critical situations). This flexibility in applying risk management principles enables organizations to adequately prepare for, identify, and respond to various operational risks effectively. The other options relate to specific methodologies or levels of analysis within the risk management framework, but they do not directly capture the essence of operational responses required in the urgency of risk management scenarios. Thus, they do not fully encompass the breadth of the risk management process levels as related to timing and urgency.

4. How many steps are incorporated in the Navy Planning process?

- A. 4
- B. 5
- C. 6**
- D. 7

*The Navy Planning process consists of six distinct steps, which provide a structured approach to planning military operations. Each step serves a specific purpose and is crucial for ensuring that plans are comprehensive and executable. The six steps typically include: 1. **Mission Analysis**: Understanding the mission and its objectives, including identifying constraints and resources available. 2. **Course of Action (COA) Development**: Generating multiple potential courses of action to achieve the objectives. 3. **COA Analysis**: Evaluating each course of action for feasibility, acceptability, and supportability against the mission requirements. 4. **COA Comparison**: Comparing the strengths and weaknesses of each course of action to determine the best option. 5. **COA Approval**: Presenting the recommended course of action to higher authority for approval. 6. **Orders Development**: Creating the actual orders and plans needed to implement the approved course of action. Understanding each of these steps and their roles in the planning process is essential for effective operational risk management, as they contribute to identifying potential risks and developing strategies to mitigate them. The six-step process not only ensures thorough preparation but also enhances coordination and clarity in executing complex military operations.*

5. What does effective organizational structure facilitate in ORM?

- A. Unclear roles and high levels of ambiguity
- B. Management of risks through defined roles and responsibilities**
- C. Increased operational risk without oversight
- D. Complete independence from risk assessments

An effective organizational structure is essential in Operational Risk Management (ORM) as it ensures that there are clearly defined roles and responsibilities throughout the organization. This clarity helps in the systematic identification, assessment, and management of potential operational risks. When roles and responsibilities are well-defined, it promotes accountability among team members, enabling them to understand their specific functions in the risk management process. This facilitates better communication and collaboration within the organization, which is crucial for identifying risks early and implementing appropriate strategies to mitigate them. Additionally, a structured approach allows for the establishment of formal reporting lines and governance frameworks, ensuring that risk management practices are integrated into the daily operations of the organization. This is vital for maintaining oversight and ensuring that all operational risks are appropriately managed. By having structured processes in place, organizations can respond more effectively to risks as they arise, ultimately leading to a more resilient operational environment. In contrast, options that suggest ambiguity, increased risks without oversight, or complete independence from risk assessments would likely hinder risk management efforts and create vulnerabilities within the organization. An effective organizational structure counters these issues by promoting a proactive risk culture where risk awareness and management become part of everyday operations.

6. Which component is NOT typically included in Operational Risk Management (ORM)?

- A. Risk assessment
- B. Risk identification
- C. Market analysis**
- D. Risk mitigation

Operational Risk Management (ORM) primarily focuses on identifying, assessing, and mitigating risks that arise from the internal processes, people, systems, or external events that can affect an organization's operations. The key components of ORM typically include risk assessment, risk identification, and risk mitigation. Each of these components plays a critical role in developing a comprehensive risk management strategy tailored to an organization's needs. Risk assessment involves evaluating the potential impact of identified risks and determining their likelihood. Risk identification is the systematic process of recognizing potential risks that could impede the organization's objectives. Risk mitigation encompasses strategies and measures put in place to reduce the likelihood or impact of these risks. Market analysis, on the other hand, is more aligned with analyzing external market conditions and economic factors that can influence business environment and performance, but it does not pertain directly to operational risks at the level required in ORM. While market conditions can affect operational strategies, they are not a core component of operational risk management focused on internal processes and risks. Thus, it stands out as a component that is not typically included in ORM procedures.

7. In which department does OPNAV (N09F) operate within the Navy?

- A. Intelligence
- B. Operations
- C. Safety**
- D. Logistics

OPNAV (N09F) operates within the Navy specifically focused on Safety. This department plays an essential role in promoting and maintaining safety standards across various Navy operations and activities. It is responsible for developing safety policies, conducting risk assessments, and ensuring compliance with safety regulations to protect personnel, equipment, and missions. Understanding the primary functions of OPNAV (N09F) is critical, as safety is a vital consideration within all naval operations, impacting everything from training exercises to deployment scenarios. This focus on safety is integral to operational risk management, aiming to reduce hazards and enhance the overall mission effectiveness of the Navy. Other departments such as Intelligence, Operations, and Logistics, while crucial to the Navy's overall functioning, do not encompass the same specific mandate centered around safety as OPNAV (N09F) does.

8. What is the primary goal of the ORM process?

- A. To minimize costs
- B. To ensure compliance
- C. To enhance mission success**
- D. To develop leadership skills

The primary goal of the Operational Risk Management (ORM) process is to enhance mission success. This focus emphasizes the importance of identifying, assessing, and managing risks that could potentially hinder the achievement of organizational objectives. By systematically evaluating risks and implementing appropriate controls, ORM helps to ensure that operations can be conducted effectively and efficiently, thereby increasing the likelihood of successful outcomes. While minimizing costs and ensuring compliance are important aspects of overall business operations, they are not the central focus of ORM. Cost minimization can result from effective risk management, and compliance is a necessary requirement for many organizations; however, these are secondary to the overarching goal of ensuring that the organization can successfully complete its mission. Developing leadership skills, while valuable, also does not directly align with the primary objective of ORM, which is centered on operational effectiveness and mission attainment. Through ORM, organizations can proactively manage risks, leading to improved performance and mission success.

9. What is the role of controls in ORM?

- A. They only report risks
- B. They solely increase risks
- C. They mitigate or eliminate hazards**
- D. They document success stories

The role of controls in Operational Risk Management (ORM) is fundamentally about ensuring that potential risks are proactively managed to safeguard the organization. Controls are implemented as part of a risk management strategy to mitigate or eliminate hazards that could lead to adverse outcomes. This means that they are essential tools used to reduce the likelihood of risk events occurring and to lessen the impact if they do occur. By focusing on the mitigation of risks, controls help organizations create a more stable operational environment, allowing them to function effectively and pursue their objectives without significant interruptions caused by unforeseen hazards. Effective controls can range from policies and procedures, internal audits, physical security, and employee training, all aimed at addressing identified risks. In contrast, options that suggest controls either only report risks or solely increase risks do not capture the proactive and protective essence of what controls are intended to do. Similarly, while documenting success stories might be beneficial for organizational learning, it does not reflect the primary purpose of controls in the context of ORM, which is fundamentally about managing and reducing risks rather than merely reporting or celebrating outcomes.

10. What is a risk register used for in ORM?

- A. Tracking employee attendance
- B. Documenting financial statements
- C. Recording identified risks and their mitigation strategies**
- D. Monitoring customer feedback

A risk register is an essential tool in Operational Risk Management that serves a specific purpose related to risk identification and management. Its primary function is to record identified risks along with their corresponding mitigation strategies. This involves documenting risk descriptions, the potential impact of each risk, the likelihood of occurrence, and the steps that will be taken to manage or mitigate these risks. By consolidating this information in a single document, organizations can effectively monitor their risk landscape, prioritize risk management efforts, and ensure that appropriate measures are in place to address potential threats. The other options do not align with the fundamental purpose of a risk register. Tracking employee attendance is related to human resource management, while documenting financial statements pertains to accounting practices. Monitoring customer feedback focuses on customer relations and improving service quality, which is not within the scope of risk management activities. Thus, the correct answer highlights the risk register's critical role in successfully managing operational risks within an organization.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://operationalriskmanagement.examzify.com>

We wish you the very best on your exam journey. You've got this!

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