

A1 Knowledge Test

The Benefits of Asset Management

Prepare for the IAM Certificate exam with these sample questions.

Read all the following questions carefully and try to answer based on the theory of Asset Management.

The actual examination has 5 options for each question.

1	How many roles are there in the IAM Competences Framework?	
	a)	Five
	b)	Six
	c)	Seven
2	What is PAS 55?	
	a)	A BSI Publically Available Specification for the optimized management of physical assets
	b)	A BSI Previously Available Specification for the optimized management of physical assets
	c)	A BSI Publically Available Specification for the optimized management of financial assets
3	A definition of asset management is:	
	a)	The optimal maintenance an organisation undertakes on its assets?
	b)	The optimal life cycle management of physical assets to sustainably achieve the stated business objectives?
	c)	A clear understanding of the linkages between each stage in the asset lifecycle?
4	Which of these is NOT a key principle of asset management?	
	a)	Linking decisions to the overall business objectives
	b)	Applying a whole-life perspective
	c)	Reducing the costs of investments
5	How many elements does the IAM Asset Management Conceptual Model contain?	
	a)	Seven
	b)	Four
	c)	Six
6	Asset Management should deliver:	
	a)	The organisation's strategic objectives
	b)	The maximum dividends for the organisation's shareholders
	c)	The maximum level of service for the organisation's customers
7	What is the correct top-down hierarchy order for the following PAS 55 defined documents?	
	a)	Asset Management Policy, Strategy, Objectives and Plans
	b)	Asset Management Strategy, Policy, Objectives and Plans
	c)	Asset Management Policy, Objectives, Strategy and Plans

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8	Which statement is INCORRECT?	
	a)	The Asset Management Policy should be consistent and aligned with all other relevant organisational policies
	b)	The Asset Management Policy should be consistent and aligned with the corporate objectives and strategy
	c)	The Asset Management Policy should be derived from all other relevant organisational policies
9	What is an Asset Management System as defined by PAS 55?	
	a)	The asset information technology system used for collating and analysing asset data
	b)	The management system which organises and drives all asset management activities
	c)	The system by which organisations can manage and influence stakeholder requirements
10	Which of the following is best described as an Asset Management Objective?	
	a)	A risk-based approach to renewal and maintenance will be adopted
	b)	Risk-based maintenance will deliver an improvement in the failure rate of assets of 10% for no increase in cost by September 2011
	c)	Risk-based maintenance will be introduced at Depot A in September 2011 with the following work volumes...
11	External stakeholders can influence asset management activities within an organisation by:	
	a)	Defining the renewal and maintenance policies which govern the creation of the asset management plan
	b)	Having the power of veto over what the organisation does
	c)	Influencing the Organisational Strategic Plan through structured engagement
12	Which of the following statements is true:	
	a)	Corporate objectives are derived from the Asset Management strategy
	b)	Corporate objectives drive the activities within the Asset Management system
	c)	Corporate objectives should be set by comparing the organisation's performance to its most closest associated peer
13	Which of the following phrases describes best the key advantage of asset management over traditional approaches?	
	a)	Asset management ensures all asset interventions (for example maintenance or renewal intervals) are optimised with respect to risk
	b)	Asset management takes an optimised whole-life view of the work required on the asset portfolio to ensure current and future required levels of service are delivered
	c)	Asset management is primarily concerned with ensuring that resources are optimally used by putting into place effective planning regimes and processes to continually improve staff competence

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14	What is the purpose of whole-life cost analysis?	
	a)	To determine the option for a particular decision which has the lowest costs over the life of the asset
	b)	To determine the most important costs associated with an asset
	c)	To determine the renewal costs at the end of an asset's life
15	What are the main cost elements of a whole-life cost approach?	
	a)	Installation, failure and refurbishment costs
	b)	Asset deterioration and reliability costs
	c)	Installation, maintenance and operations, and disposal costs
16	When undertaking whole-life cost analysis it is important to remember that:	
	a)	It is impossible to get the right answer unless all the data and information are understood
	b)	The analysis should be completed without reference to other organisational functions to ensure independence
	c)	As many costs as possible should be included in the analysis ensuring these are consistently derived between analyses
17	Which of these statements is true:	
	a)	Asset information should be collected on all measurable aspects of an asset's function and performance
	b)	Asset information should be guided by the relevance of the information to the asset management decisions that need to be made about the asset
	c)	Asset information requirements should be derived according to the requirements set out in the IT department's procurement specification
18	The purpose of an Asset Information Strategy is to:	
	a)	Collate the standards which define the collection, storage and use of asset information
	b)	Provide the overall framework and plan for asset information which will deliver the organisation's asset information requirements
	c)	Specify the requirements for procuring the organisation's asset information system
19	Which of these statements is UNTRUE?	
	a)	Asset information is always worth collecting regardless of cost
	b)	Asset information has maintenance costs as well as collection costs
	c)	Asset information can be treated as an asset in its own right
20	Which of the following types of information would <u>NOT</u> normally be required for the development of an asset management plan?	
	a)	Asset register
	b)	Organisation's share price
	c)	Asset Condition

Answers:

1-C, 2-A, 3-B, 4-C, 5-C, 6-A, 7-A, 8-C, 9-B, 10-B, 11-C, 12-B, 13-B, 14-A, 15-C, 16-C, 17-B, 18-B, 19-A, 20-B