SERVICENOW THIRD-PARTY RISK MANAGEMENT PRACTICE TEST (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.

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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!

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Questions

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1. What is the main benefit of the Vendor Portal in Vendor Risk Management?

A. Assessments are performed via the Vendor Portal and spreadsheets

B. More efficiently communicating Assessments with a single contact

C. Assessments are shared through the Vendor Portal and email

D. More efficiently completing Assessments via the Vendor Portal

2. The Template Designer is leveraged to create which of the following templates?

A. Questionnaire Template

B. Document Request Template

C. Assessment Template

D. Vendor Risk Assessment

3. Which of the following is a component of a Vendor Risk Management program?

A. Ignoring risks associated with vendors

B. Minimizing regulatory compliance

C. Assessing the financial performance of vendors

D. Establishing a vendor code of conduct

4. Which table is a common source for Third-party Risk Management reporting?

A. Control [sn_control]

B. Task [task]

C. Third-party Risk Assessment [sn_vdr_risk_asmt_assessment]

D. Third party [core_third_party]

5. Which of the following is NOT a type of vendor risk assessment in ServiceNow Vendor Risk Management?

A. Initial

B. Periodic

C. Special

D. Ad hoc

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6. Which statement best describes the assessment workflow in the Vendor Portal?

A. Assessments are performed via the Vendor Portal and spreadsheets

B. More efficiently communicating Assessments with a single contact

C. Assessments are shared through the Vendor Portal and email

D. More efficiently completing Assessments via the Vendor Portal

7. Which statement correctly describes quantitative risk assessment?

A. Quantitative risk assessment uses numerical values to express risk

B. Quantitative risk assessment uses descriptive terms to express risk

C. Quantitative risk assessment relies on vendor budgets

D. Quantitative risk assessment ignores historical data

8. What is the primary objective of Vendor Risk Management?

A. To manage and mitigate risks associated with vendors

B. To completely eliminate all risks associated with vendors

C. To transfer all risks associated with vendor to the vendors themselves

D. To ignore risks associated with vendors

9. What is one of the clickable metrics at the top of the Due Diligence management page?

A. Approval Process

B. IRQ Process

C. All Active Processes

D. SLO Process

10. Which of the following is not a component of a Vendor Risk Management program?

A. Vendor selection criteria

B. Vendor termination

C. Risk assessment

D. Contract negotiations

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Answers

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

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Explanations

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1. What is the main benefit of the Vendor Portal in Vendor Risk Management?

A. Assessments are performed via the Vendor Portal and spreadsheets

B. More efficiently communicating Assessments with a single contact

C. Assessments are shared through the Vendor Portal and email

D. More efficiently completing Assessments via the Vendor Portal

The key idea here is that the Vendor Portal streamlines the entire assessment workflow by enabling vendors to complete, submit, and update responses directly in one place. This centralized, self-service experience reduces back-and-forth work, speeds up cycle times, and improves data quality because questions are presented in a consistent format, required fields are enforced, and documents can be attached within the same interface. Real-time status tracking, automated reminders, and version history further cut delays and handoffs, making the overall process more efficient for both the vendor and the risk team. Other approaches—such as splitting work between the portal and spreadsheets, or relying on email for sharing and updates—tend to introduce fragmentation, manual data transfer, and slower responses. While those elements might exist in some workflows, the primary efficiency gain comes from completing the assessments directly through the Vendor Portal.

2. The Template Designer is leveraged to create which of the following templates?

A. Questionnaire Template

B. Document Request Template

C. Assessment Template

D. Vendor Risk Assessment

Template Designer is used to build standardized bundles of documents you ask vendors to provide as part of third-party risk management. That makes it the right tool to create a Document Request Template, which defines the exact documents needed, the required formats, and the delivery instructions so every vendor submits a consistent set of evidence. This standardization helps streamline intake, tracking, and validation across the vendor program. Other templates serve different purposes: a Questionnaire Template is for sets of questions to gather responses, and an Assessment Template structures the evaluation framework. The Vendor Risk Assessment is the resulting evaluation, not a template itself.

3. Which of the following is a component of a Vendor Risk Management program?

A. Ignoring risks associated with vendors

B. Minimizing regulatory compliance

C. Assessing the financial performance of vendors

D. Establishing a vendor code of conduct

Vendor governance and consistent expectations are central to a Vendor Risk Management program. A vendor code of conduct is a formal document that sets the standards vendors must meet—ethics, privacy, security, anti-corruption, labor practices, and legal compliance. When vendors agree to this code, the organization can apply uniform controls across the supplier base, require compliance as a contract condition, and take corrective actions if violations occur. This creates accountability and reduces risk by ensuring vendors operate within acceptable norms and regulatory requirements, regardless of their size or market. The other options describe approaches that would undermine risk management or lack universal applicability. Ignoring risks is the opposite of a risk program, and minimizing regulatory compliance conflicts with the goal of staying within required laws. While assessing a vendor's financial performance is important, establishing a code of conduct provides a universal baseline that governs all vendor relationships.

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4. Which table is a common source for Third-party Risk Management reporting?

A. Control [sn_control]

B. Task [task]

C. Third-party Risk Assessment [sn_vdr_risk_asmt_assessment]

D. Third party [core_third_party]

In Third-party Risk Management reporting, the most useful data comes from the results of risk assessments conducted for each vendor. The table that stores these assessment records is designed to capture risk ratings, inherent versus residual risk, assessment dates, findings, and remediation actions, and it links directly to the vendor. Because dashboards and reports summarize risk posture across vendors, trends over time, and remediation progress, this risk assessment table is the primary source for those reports. Other tables like the control table hold controls, the task table tracks work items, and the core third-party table contains vendor details, but they don't provide the central risk results that most TPRM reports are built around.

5. Which of the following is NOT a type of vendor risk assessment in ServiceNow Vendor Risk Management?

A. Initial

B. Periodic

C. Special

D. Ad hoc

In ServiceNow Vendor Risk Management, assessments follow a lifecycle based on when they happen: an initial assessment sets the baseline when a vendor is onboarded, periodic assessments occur on a regular cadence to recheck risk, and ad hoc assessments are triggered outside the schedule in response to events or changes. "Special" is not a built-in assessment type in the standard VRM taxonomy. It would require custom configuration if used, but it isn't part of the default types. Therefore, the option that does not fit as a standard vendor risk assessment type is the one described as "Special."

6. Which statement best describes the assessment workflow in the Vendor Portal?

A. Assessments are performed via the Vendor Portal and spreadsheets

B. More efficiently communicating Assessments with a single contact

C. Assessments are shared through the Vendor Portal and email

D. More efficiently completing Assessments via the Vendor Portal

The assessment workflow that fits best is completing assessments directly inside the Vendor Portal. When you complete the assessment within the portal, you move from opening the form, answering questions, and submitting, to tracking progress all in one place. This eliminates extra steps and switching between tools like spreadsheets or email, which can create delays and data fragmentation. Centralizing the workflow within the portal also supports automated reminders, validations, and consistent data capture, speeding up the overall process. That's why completing assessments via the Vendor Portal is the most accurate description of the workflow.

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7. Which statement correctly describes quantitative risk assessment?

A. Quantitative risk assessment uses numerical values to express risk

B. Quantitative risk assessment uses descriptive terms to express risk

C. Quantitative risk assessment relies on vendor budgets

D. Quantitative risk assessment ignores historical data

Expressing risk in numerical terms is what quantitative risk assessment is all about. It uses numbers for both how likely a risk event is and how severe its impact could be, often translating losses into monetary terms. This lets you calculate risk exposure and compare risks objectively, which helps prioritize which controls to implement. In contrast, using descriptive labels like high/medium/low describes a qualitative approach, not a numerical one. The notion that it relies on vendor budgets isn't part of the method, and the idea that it ignores historical data isn't accurate—quantitative analysis typically depends on data, including historical incident data and statistical models, to estimate probabilities and impacts.

8. What is the primary objective of Vendor Risk Management?

A. To manage and mitigate risks associated with vendors

B. To completely eliminate all risks associated with vendors

C. To transfer all risks associated with vendor to the vendors themselves

D. To ignore risks associated with vendors

Vendor Risk Management is about identifying, assessing, and actively reducing the risks that come with working with external vendors so the organization stays within its risk tolerance. The goal isn't to remove every possible risk—some level of risk is inherent in any third-party relationship—but to implement due diligence, contractual controls, ongoing monitoring, and remediation so that the overall risk impact is minimized to an acceptable level. Transferring risk to a vendor is only one part of the approach, and ignoring risks would be unsafe and noncompliant.

9. What is one of the clickable metrics at the top of the Due Diligence management page?

A. Approval Process

B. IRQ Process

C. All Active Processes

D. SLO Process

In the Due Diligence management page, the top area has clickable metrics that act as quick filters and give you a snapshot of what's happening. All Active Processes is the one that aggregates every due diligence item currently in progress, so you can immediately see and drill into ongoing work without wading through completed items. The other options refer to specific workflow names rather than a broad, in-progress view, so they aren't the standard top-bar metrics you'd use for a quick overview.

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10. Which of the following is not a component of a Vendor Risk Management program?

A. Vendor selection criteria

B. Vendor termination

C. Risk assessment

D. Contract negotiations

The concept being tested is how a Vendor Risk Management (VRM) program scopes activities along the vendor lifecycle. VRM focuses on identifying, assessing, and mitigating risk from vendors during their engagement and through the contract term, including ongoing monitoring and controlled exit if needed. The item describing vendor selection criteria sits outside that risk-management scope because it deals with choosing which vendors to pursue before any engagement occurs. That selection process belongs to procurement and vendor onboarding, where the emphasis is on fit, capability, and cost rather than managing risk during the relationship. In contrast, risk assessment, contract negotiations, and vendor termination are all activities that directly address risk throughout the vendor relationship: assessing the vendor's risk profile, embedding risk controls and terms in contracts, and planning for secure and orderly offboarding if issues arise.

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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://servicenow3rdpartyriskmgmt.examzify.com

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

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