

IAPP

CIPT Exam

**Certified Information Privacy Technologist
Questions & Answers
Demo**

Version: 11.0

Question: 1

What would be an example of an organization transferring the risks associated with a data breach?

- A. Using a third-party service to process credit card transactions.
- B. Encrypting sensitive personal data during collection and storage
- C. Purchasing insurance to cover the organization in case of a breach.
- D. Applying industry standard data handling practices to the organization' practices.

Answer: C

Explanation:

Reference: <http://www.hpso.com/Documents/pdfs/newsletters/firm09-rehabv1.pdf>

Purchasing insurance to cover the organization in case of a breach. By purchasing insurance, the organization can transfer the financial risks associated with a data breach to an insurance provider. This is a risk management strategy that can help an organization mitigate the financial impact of a breach.

[Transferring risk means shifting some or all of the potential losses or liabilities associated with a risk to another party²](#). Purchasing insurance is one way of transferring risk, as it allows the organization to share the financial burden of a data breach with an insurer. The other options do not involve transferring risk, but rather reducing, avoiding or accepting it.

Question: 2

Which of the following is considered a client-side IT risk?

- A. Security policies focus solely on internal corporate obligations.
- B. An organization increases the number of applications on its server.
- C. An employee stores his personal information on his company laptop.
- D. IDs used to avoid the use of personal data map to personal data in another database.

Answer: C

Explanation:

An employee stores his personal information on his company laptop. This is considered a client-side IT risk because it involves the actions of an employee who has control over the use of their individual device.

[Client-side IT risk refers to the potential threats that arise from devices or applications that are used by](#)

[end-users or customers](#)³. An employee storing his personal information on his company laptop is an example of client-side IT risk, as it exposes sensitive data to unauthorized access, theft or loss. [The other options are examples of server-side IT risk, which involves threats that originate from systems or networks that host applications or services](#)³.

Question: 3

SCENARIO

Carol was a U.S.-based glassmaker who sold her work at art festivals. She kept things simple by only accepting cash and personal checks.

As business grew, Carol couldn't keep up with demand, and traveling to festivals became burdensome. Carol opened a small boutique and hired Sam to run it while she worked in the studio. Sam was a natural salesperson, and business doubled. Carol told Sam, "I don't know what you are doing, but keep doing it!"

But months later, the gift shop was in chaos. Carol realized that Sam needed help so she hired Jane, who had business expertise and could handle the back-office tasks. Sam would continue to focus on sales. Carol gave Jane a few weeks to get acquainted with the artisan craft business, and then scheduled a meeting for the three of them to discuss Jane's first impressions.

At the meeting, Carol could not wait to hear Jane's thoughts, but she was unprepared for what Jane had to say. "Carol, I know that he doesn't realize it, but some of Sam's efforts to increase sales have put you in a vulnerable position. You are not protecting customers' personal information like you should."

Sam said, "I am protecting our information. I keep it in the safe with our bank deposit. It's only a list of customers' names, addresses and phone numbers that I get from their checks before I deposit them. I contact them when you finish a piece that I think they would like. That's the only information I have! The only other thing I do is post photos and information about your work on the photo sharing site that I use with family and friends. I provide my email address and people send me their information if they want to see more of your work. Posting online really helps sales, Carol. In fact, the only complaint I hear is about having to come into the shop to make a purchase."

Carol replied, "Jane, that doesn't sound so bad. Could you just fix things and help us to post even more online?"

"I can," said Jane. "But it's not quite that simple. I need to set up a new program to make sure that we follow the best practices in data management. And I am concerned for our customers. They should be able to manage how we use their personal information. We also should develop a social media strategy."

Sam and Jane worked hard during the following year. One of the decisions they made was to contract with an outside vendor to manage online sales. At the end of the year, Carol shared some exciting news. "Sam and Jane, you have done such a great job that one of the biggest names in the glass business wants to buy us out! And Jane, they want to talk to you about merging all of our customer and vendor information with theirs beforehand."

What type of principles would be the best guide for Jane's ideas regarding a new data management program?

- A. Collection limitation principles.
- B. Vendor management principles.
- C. Incident preparedness principles.
- D. Fair Information Practice Principles

Answer: D

Explanation:

Reference: <https://www.worldprivacyforum.org/2008/01/report-a-brief-introduction-to-fair-information-practices/>

Question: 4

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Which regulator has jurisdiction over the shop's data management practices?

- A. The Federal Trade Commission.
- B. The Department of Commerce.
- C. The Data Protection Authority.
- D. The Federal Communications Commission.

Answer: C

Explanation:

The Data Protection Authority is a regulatory body responsible for enforcing data protection laws and ensuring that organizations comply with their obligations to protect personal data. The Federal Trade Commission (FTC) is an independent agency of the United States government whose primary mission is to promote consumer protection and prevent anti-competitive business practices.

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When initially collecting personal information from customers, what should Jane be guided by?

- A. Onward transfer rules.
- B. Digital rights management.
- C. Data minimization principles.
- D. Vendor management principles

Answer: C

Explanation:

When initially collecting personal information from customers, Jane should be guided by data minimization principles ©. Data minimization involves collecting only the minimum amount of personal data necessary to achieve a specific purpose. This means that Jane should only collect personal information from customers that is relevant and necessary for the intended purpose and should avoid collecting excessive or unnecessary data.