

# Asset Management Practice Test Questions and Answers

## 1. What is 'net book value' of an asset?

- A) Original cost plus interest
- B) Original cost minus accumulated depreciation
- C) Market value at year end
- D) Replacement cost minus salvage value

## 2. A Bow-Tie diagram in risk management shows:

- A) The supply chain for spare parts
- B) Threats leading to a hazard event and consequences with barriers on each side
- C) The organizational hierarchy for risk decisions
- D) Asset depreciation over time

## 3. What is a Digital Twin in asset management?

- A) A backup copy of asset accounting records
- B) A virtual replica of a physical asset that mirrors its real-time condition and behavior
- C) Duplicate asset entries in a spreadsheet
- D) A second physical asset kept in reserve

## 4. Why should asset relationships be specified?

- A) To define how assets are allowed to behave when work is performed on them.
- B) To deploy assets.
- C) To design the asset infrastructure.
- D) To define a logical connection between separate assets.

**Answers: 1-B 2-B 3-B 4-D**

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