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Vendor: IAPP

Code: CIPT

Exam: Certified Information Privacy Technologist

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QUESTIONS & ANSWERS

DEMO VERSION

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DEMO VERSION
(LIMITED CONTENT)

Version: 11.1

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:

Risk transfer involves shifting the potential negative consequences of a risk to a third party. By purchasing insurance, an organization transfers the financial risk associated with a data breach to the insurance company. This is a common practice to mitigate the impact of data breaches.

Reference:

IAPP CIPT Study Guide: Risk Management and Data Breaches.

IAPP Certified Information Privacy Technologist (CIPT) Handbook: Section on Risk Management.

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:

Client-side IT risks refer to vulnerabilities or threats that originate from the end-user's side. When an employee stores personal information on a company laptop, it poses a security risk as this data can be exposed through loss, theft, or improper handling of the device.

Reference:

IAPP CIPT Study Guide: IT Risks and Mitigation.

IAPP Certified Information Privacy Technologist (CIPT) Handbook: Section on Client-Side Risks.

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:

Fair Information Practice Principles (FIPPs) are a set of guidelines that govern the collection and handling of personal data to ensure privacy and data protection. Jane's ideas regarding a new data management program would be best guided by FIPPs, which emphasize transparency, data minimization, purpose specification, and security, among other principles.

Reference:

IAPP CIPT Study Guide: Data Management and Fair Information Practices.

IAPP Certified Information Privacy Technologist (CIPT) Handbook: Section on Fair Information Practice Principles.

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: A

Explanation:

The Federal Trade Commission (FTC) is responsible for protecting consumers in the U.S. by preventing fraudulent, deceptive, and unfair business practices. It has jurisdiction over commercial data privacy and security practices, including those of Carol's shop. The FTC enforces data protection and privacy standards to ensure consumer information is handled appropriately.

Reference:

IAPP CIPT Study Guide: Regulatory Environment.

IAPP Certified Information Privacy Technologist (CIPT) Handbook: Section on U.S. Privacy Laws and Regulations.

Question: 5

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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 collecting personal information from customers, Jane should be guided by data minimization principles. These principles emphasize that only the minimum necessary amount of personal data should be collected for any given purpose. This aligns with best practices in data management to ensure that organizations do not hold more personal data than necessary, thus reducing the risk of data breaches and enhancing privacy protection. According to the IAPP, data minimization is a foundational principle that helps mitigate privacy risks by limiting the amount and types of data collected, processed, and stored.



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