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Reference And Master Data Management Exam

DAMA CDMP-RMD

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QUESTION NO: 1

One of the main guiding principles for Reference and Master Data is the one related to ownership, which states that:

A. Reference Data ownership belongs to IT while Master Data ownership belongs to the Business

B. Reference and Master Data ownership is usually owned by a specific department

C. Reference and Master Data typically belong to the organization, not to a particular application or department

D. Reference and Master Data cannot include purchased data

E. Reference and Master Data ownership falls into Data Governance Office

ANSWER: C

Explanation:

Reference and Master Data typically belong to the organization, not to a particular application or department is correct because these data domains represent shared business assets used across processes, systems, and organizational units. Reference data supplies common classifications and controlled value sets, while master data identifies core entities such as customers, products, suppliers, locations, and employees. Since many functions rely on the same definitions and identifiers, treating such data as the property of one application or departmental silo would undermine the enterprise-wide consistency that master and reference data management is intended to establish.

Organizational ownership means that accountability, decision rights, policies, standards, and stewardship are coordinated from an enterprise perspective. Business subject-matter experts may be assigned stewardship responsibilities, and technical teams may operate platforms and integrations, but neither operational responsibility changes the fundamental status of the data as an organizational asset. This principle supports shared definitions, reuse, quality controls, traceability, and governed change management across the data lifecycle. DAMA's data-management guidance frames Master and Reference Data Management as a discipline for managing shared data consistently across the enterprise, closely integrated with data governance. See DAMA International's Body of Knowledge overview and DAMA's CDMP certification information.

QUESTION NO: 2

Which of the following reasons is a reason why MDM programs are often not successful?

A. Too much emphasis on technology rather than people and process components

B. All of the above

C. Poor positioning of MDM program responsibility within the IT organization

D. Not enough business commitment and engagement

E. MDM initiative is run as a project rather than a program

ANSWER: B

Explanation:

All of the above is correct because Master Data Management is a sustained business capability, not simply a technology implementation. An MDM program needs an appropriate balance of technology, governed business processes, accountable data roles, and organizational change management. A technology-led approach alone will not establish the business decisions, stewardship practices, or adoption needed to create and maintain trusted master data.

Similarly, MDM must be positioned and governed in a way that enables business ownership and cross-functional participation. Master data represents core business entities and is used across processes, functions, and systems, so ongoing business commitment is essential for defining standards, resolving data issues, and prioritizing improvements. Finally, MDM requires a program mindset: governance, quality monitoring, stewardship, and integration needs continue after

an initial implementation release. Treating it as a finite project can leave these operational capabilities unsupported. Together, these are recognized organizational and delivery risks for MDM, making the combined answer the only complete single-choice response. DAMA describes MDM as a data-management discipline requiring governance and sustained coordination; see DAMA-DMBOK2 overview. For further context on the business, process, and governance dimensions of MDM, see IBM's Master Data Management overview.

QUESTION NO: 3

An organization needs an enterprise customer view for analytics and regulatory reporting. Customer records must remain authored in existing operational applications, and the MDM solution will not publish mastered records back to those applications. Which MDM implementation style is most appropriate?

A. Registry style

B. Centralized style

C. Consolidation style

D. Coexistence style

ANSWER: C

Explanation:

Consolidation style is most appropriate because it collects and reconciles customer data from source applications to create a trusted view for analytical, reporting, and similar consumption purposes. The operational applications remain the places where customer data is authored and maintained.

A centralized style would make the hub the primary authoring point. Coexistence includes synchronization between the MDM solution and participating source systems, while registry style generally provides identity links and cross-references without maintaining the full consolidated master representation needed in this scenario.

QUESTION NO: 4

An enterprise reference-data list contains country codes, names, and permitted values. A consuming application asks to add a local description field in its own language without changing the meaning or validity of the enterprise values. What is the most appropriate governance approach?

A. Maintain the local description as a governed extension of the enterprise value

B. Create an independent country-code list for the consuming application

C. Change the enterprise definition to match the local description

D. Allow each application to maintain descriptions as uncontrolled free text

ANSWER: A

Explanation:

The local description should be managed as a controlled extension or translation associated with the governed enterprise reference value. This supports local usability while preserving the enterprise code, definition, and approved set of values as the common authoritative reference data.

Creating a new country-code list would introduce unnecessary divergence. Changing the enterprise meaning to fit one consumer would compromise shared use. Treating descriptions as uncontrolled free text would undermine consistency and maintenance.

QUESTION NO: 5

Matching or candidate identification is the process called similarity analysis. One approach is called deterministic which relies on:

A. Statistical techniques for assessing the probability that any pair of records represents the same entity

B. Taking data samples and looking at results for a subset of the records

C. Being able to determine the similarity between two data models

D. Algorithms for parsing and standardization and on defined patterns and rules for determining similarity

E. Finding two references that are linked with a single entity

ANSWER: D

Explanation:

Deterministic similarity analysis relies on explicit, predefined logic: data is first parsed and standardized so comparable values have a consistent form, then defined patterns and business rules are applied to decide whether records are sufficiently similar to represent the same entity. For example, matching logic may normalize names, addresses, telephone numbers, or identifiers; compare specific fields; and apply rules such as an exact identifier match or an agreed combination of matching attributes. This produces repeatable and explainable match decisions because the same input values will be evaluated against the same rules each time. In reference and master data management, this approach is particularly valuable where stewards and business users need to understand, govern, and audit why records were linked or selected as candidates for review. Rules can also be tuned as data characteristics and quality issues become better understood. DAMA describes matching as a key activity in managing master and reference data, including the use of standardization and rule-based methods to identify duplicate or related records. See the DAMA-DMBOK reference page and the DAMA International website for authoritative data-management context.

QUESTION NO: 6

What item listed will be determined by Reference & Master Data governance processes?

A. Total cost of ownership

B. Service level agreements

C. None of these

D. Data sharing volume and usage

E. Data change activity

ANSWER: E

Explanation:

Data change activity is determined by Reference and Master Data governance processes because governance establishes the decision rights, policies, controls, and accountable roles for creating, modifying, approving, publishing, and retiring shared reference and master-data values. Reference and master data are reused across business processes and systems, so a change to a customer, product, supplier, organizational hierarchy, code set, or classification can have broad operational and reporting effects. Governance therefore specifies what kinds of changes require approval, who may request and authorize them, which validation and data-quality rules apply, how effective dates and versions are handled, and how the approved change is communicated to consuming systems. These controls make changes traceable and auditable while preserving consistency across the enterprise. They also support stewardship by assigning responsibility for reviewing proposed updates and resolving issues before changed data is released. DAMA's body of knowledge treats governance as the exercise of authority and control over data assets, including the policies and processes needed to manage them throughout their lifecycle. See DAMA International: Body of Knowledge and IBM: Master Data Management.

QUESTION NO: 7

Data profiling shows that 18 percent of product records have an invalid unit-of-measure code. Investigation finds that nearly all invalid values originate from one product-entry screen that permits free-text entry. What is the most effective long-term remediation?

A. Perform a one-time cleansing of the invalid product records

B. Correct the entry process to enforce the governed reference-data domain

C. Reduce the frequency of profiling for product master data

D. Relax the unit-of-measure validity rule

ANSWER: B

Explanation:

Correct the entry process to enforce the governed reference-data domain is correct because the profiling evidence identifies a root cause in the process that creates the data. Enforcing the approved unit-of-measure values at entry prevents recurrence while supporting valid, consistent product master data.

A one-time cleansing exercise can correct existing records but will not stop further invalid values. Reducing the profiling frequency only delays discovery. Relaxing the validity rule would accept nonconforming data rather than improve data quality.

QUESTION NO: 8

An organization chart where a high level manager has department managers with staff and non-managers without staff as direct reports would best be maintained in which of the following?

A. A fixed level hierarchy

B. A ragged hierarchy

C. A reference file

D. A taxonomy

E. A data dictionary

ANSWER: B

Explanation:

A ragged hierarchy is the appropriate structure because it represents parent-child reporting relationships whose branches do not all extend to the same depth. In the stated organization chart, the high-level manager has direct reports that follow different paths: department managers have employees reporting beneath them, while non-managers are terminal nodes with no direct reports. Consequently, some reporting paths contain additional levels and others end immediately. A ragged hierarchy preserves this naturally, without requiring every member to occupy an artificial or uniform level.

In reference and master data management, organizational structures are commonly managed as hierarchical master data because reporting relationships, rollups, security assignments, accountability, and organizational reporting depend on accurately retaining each entity's parent and level. A ragged hierarchy supports an uneven organizational design while still allowing users to navigate from a manager to descendants and aggregate information through the relevant reporting chain. The essential characteristic is not a particular job title, but the variable depth of branches within the same hierarchy. This is a common pattern in real organizational master data, where spans of control and management layers differ across departments.

See the DAMA Body of Knowledge resources and Oracle's overview of tree structures and hierarchy levels.

QUESTION NO: 9

Master Data is similar to a physical product produced and sold by a company except for which of the following characteristics?

A. Unavailability may impact the business

B. Must fit the consumers' required use

C. Need for information about its characteristics

D. Depletes when pulled from inventory

E. Has a useful life span

ANSWER: D

Explanation:

Depletes when pulled from inventory is the distinguishing characteristic. A physical product is normally a finite inventory item: when a unit is sold, consumed, or withdrawn, the available stock is reduced. Master data is an informational asset rather than a consumable physical item. Retrieving a customer, product, supplier, location, or other master-data record for a transaction, report, integration, or analytical use does not consume the record or reduce its availability for subsequent users and processes. The same governed master-data value can support many business activities at the same time, subject to appropriate access controls and data-quality management. It may be updated, superseded, archived, or retired as business circumstances change, but those lifecycle events are not inventory depletion caused by use. This distinction is important in reference and master data management because master data is managed for persistent, shared reuse across business processes and systems. DAMA's body of knowledge treats reference and master data as a core data-management discipline concerned with maintaining consistent, reusable business data: DAMA International Body of Knowledge. IBM similarly describes master data as core business data shared across an organization: IBM: Master Data Management.

QUESTION NO: 10

Managing master data elements can be performed at which of the following points?

A. Third-party Provider (e.g. D&B)

B. Enterprise

C. Application Suite (e.g. ERP)

D. All Answers are correct

ANSWER: D

Explanation:

All Answers are correct. Master data management can be performed at several points in the information supply chain, depending on the organization's operating model, governance arrangements, and technology landscape. Third-party providers, such as Dun & Bradstreet, may create, validate, standardize, enrich, and maintain externally sourced master data, particularly for domains such as organizations, suppliers, and locations. At the enterprise level, a central MDM capability can govern common master-data definitions, quality rules, identifiers, and distribution across business units and systems. Master data can also be managed within an application suite, such as an ERP platform, where operational processes create and maintain data for customers, materials, vendors, finance, and other core business entities. DAMA's Master and Reference Data Management guidance recognizes that master data may be managed in source applications, consolidated hubs, enterprise platforms, and through external data suppliers. The essential requirement is that accountability, data-quality controls, integration, and governance are defined so the organization can provide trustworthy, consistent master data for operational and analytical use. See DAMA International's DMBOK overview and Dun & Bradstreet's business-data resources.

QUESTION NO: 11

A division of power approach to master data governance provides the benefit of:

A. Better alignment of decisions based on varying levels of organizational data sharing

B. Spreads the blame for bad decisions

C. Centralizing responsibility

D. Lower expense

E. Facilitating a decision by committee model

ANSWER: A

Explanation:

Better alignment of decisions based on varying levels of organizational data sharing is the key benefit of a division-of-power approach to master data governance. Master data is used differently across domains, business units, and operational processes; consequently, the people closest to a data domain often have essential context about its definitions, quality requirements, permissible values, and operational impacts. Dividing governance authority enables decision rights to be placed at an appropriate organizational level rather than treating every master-data decision as either wholly enterprise-centralized or wholly local.

This model supports an intentional balance between enterprise consistency and business-unit responsiveness. Matters requiring common definitions, interoperability, or shared controls can be governed with enterprise participation, while decisions that depend on local domain expertise can remain nearer to the accountable business area. The result is governance decisions that better reflect both the extent to which data is shared and the legitimate needs of the parties using it. This is consistent with DAMA's treatment of data governance as the exercise of authority and control over data, including assignment of decision rights and accountabilities. See the DAMA Body of Knowledge overview and DAMA International's Data Management Association International resources.

QUESTION NO: 12

The most difficult MDM style to implement data governance is which of following-

A. Linkage style

B. Centralized style

C. Coexistence style

D. Consolidation style

E. Registry style

ANSWER: E

Explanation:

Registry style is the correct answer because this style maintains master-data identity and cross-reference information while authoritative data remains in multiple operational source systems. Governance must therefore be applied across independently managed applications, owners, processes, and data-quality controls rather than through one centrally governed master-data store. The organization must establish common definitions, matching rules, survivorship expectations, ownership responsibilities, issue-resolution procedures, and controls for changes occurring in each participating source. It must also ensure that registry identifiers and links remain accurate as source records are created, changed, merged, or retired.

This distributed operating model makes consistent stewardship and accountability particularly demanding: the registry can identify that records relate to the same real-world entity, but it does not itself provide full control over the values maintained by the sources. Effective governance consequently depends on sustained coordination among the domains and systems contributing master data. DAMA's Reference and Master Data Management guidance treats governance, stewardship, shared definitions, and quality management as essential capabilities for master data; see DAMA-DMBOK2 information from

Technics Publications. For additional background on the role of matching, linking, and governing trusted master records, see IBM’s Master Data Management overview.