

Question No : 1

While managing a project, you decide to create a prototype of your product first to ensure that it is acceptable to stakeholders before creating your product. This is an example of:

Choice 1 Risk mitigation

Choice 2 Risk avoidance

Choice 3 Simulation

Choice 4 Project assumptions testing

Correct Choice : 1

Justification :

Mitigation may require prototype development to reduce the risk of scaling up from a bench-scale model of a process or product.

Reference: *PMBOK® Guide* - Fifth Edition, page 345

Question No : 2

In which of the following cases is a contract NOT legally binding?

Choice 1 The seller is not able to produce goods as part of the contract.

Choice 2 The signatory to the contract leaves the company.

Choice 3 The buyer is not able to satisfy financial obligations.

Choice 4 The contract violates the law of the land.

Correct Choice : 4

Justification :

A contract is a legal relationship subject to remedy in the courts. A contract containing provisions that violate the law of the land is not enforceable in the courts of law.

Reference: PMstudy.com comments

Question No : 3

Two project team members have resigned from your company. However, you are able to negotiate with functional managers in your organization to quickly acquire two more resources as substitutes. From a stakeholder management point of view, this can be referred to as:

Choice 1 Pre-assignment

Choice 2 Corrective action

Choice 3 Approved change request

Choice 4 Resolved issue

Correct Choice : 4

Justification :

Unavailability of resources is an issue, and by getting two appropriate resources quickly, you were able to resolve the issue quickly.

Reference: PMstudy.com comments

Question No : 4

You are working in the vendor management department of your company and are responsible for sourcing printing machines from manufacturers. You recently visited a marketing conference of a leading printing machine manufacturer, where you were offered a gift-voucher of \$ 200 for attending the conference. You should:

Choice 1 Accept the gift, because it is compensation for attending the conference

Choice 2 Accept the gift and also inform your manager

Choice 3 Return the gift, because it could be construed as personal gain

Choice 4 Accept the gift, because it is for a small amount and was given to everyone in the conference

Correct Choice : 3

Justification :

A project manager has the responsibility to refrain from offering or accepting inappropriate payments, gifts, or other forms of compensation for personal gain, unless it is in agreement with applicable laws or customs.

Reference: PMI Code of Ethics and Professional Conduct

Question No : 5

In your company, the project manager shares responsibility with the functional manager to assign priorities and directs the team members of the project. In this case, it is NOT the responsibility of the project manager to:

Choice 1 Plan resources

Choice 2 Manage cost and budget

Choice 3 Carry out performance appraisal of project team

Choice 4 Define tasks

Correct Choice : 3

Justification :

In a matrix organization, the project manager shares responsibility with the functional managers for assigning priorities and for directing the work of persons assigned to the project.

Reference: *PMBOK® Guide* - Fifth Edition, page 546

PMstudy.com comments: In most matrix organizational structures, personnel performance management is not the responsibility of the project manager; this task is usually done by the functional manager. However, a project manager is always responsible for Plan resources (Option 1), Manage cost and budget (Option 2), and Define tasks (Option 4).

Question No : 6

You are the project manager in an aircraft manufacturing company developing a new range of supersonic fighter planes. Since government approval and involvement are essential, you hire a lobbying firm to get government support to prevent unnecessary changes in your project. Which process is this an example of?

Choice 1 Perform Integrated Change Control

Choice 2 Risk Management

Choice 3 Cost Management Plan

Choice 4 Develop Project Management Plan

Correct Choice : 1

Justification :

The Perform Integrated Change Control process includes influencing the factors that circumvent integrated change control so that only approved changes are implemented.

Reference: PMstudy.com comments

Option 2 (Risk Management) and option 3(Cost Management Plan) are not processes. Option 4 (Develop Project Management Plan) is not valid because here we do not deal with factors that can cause changes.

Question No : 7

The customer accepted your project's product two weeks ago, but recently complained that some of the product features are not as desired and that the product is not functioning properly. What should you do FIRST?

Choice 1 Ignore the customer, since he already accepted the product.

Choice 2 Review the customer's test results.

Choice 3 Review the Validate Scope process.

Choice 4 Start working on rectifying the errors as reported by the customer.

Correct Choice : 3

Justification :

The verified deliverables obtained from the Control Quality process are reviewed with the customer or sponsor to ensure that they are completed satisfactorily and have received formal acceptance of the deliverables by the customer or sponsor.

Reference: *PMBOK® Guide* - Fifth Edition, page 134

Option 3: The first step to be taken is to review the Validate Scope process to determine whether the product conforms to the stipulated requirements.

Option 1: Ignoring the customer is never recommended since he is one of the most important stakeholders in your project.

Option 2: You cannot review the customer's test results, since the customer may not be ready to share it with you and, therefore, you may not have access to it.

Option 4: Before rectifying the errors, you must understand clearly whether all the deliverables were delivered satisfactorily.

Question No : 8

The studio you are working for has assigned you as the project manager for a movie project where the producer left midway due to health issues. As a project manager, you are responsible for meeting the project schedule deadlines. If there is some delay in the project schedule, you should:

Choice 1 Increase the timeline for the project.

Choice 2 Fast track or crash the project, and let the management know the impact of this action.

Choice 3 Ask the resources to work overtime to meet the project deadlines.

Choice 4 Change the project scope.

Correct Choice : 2

Justification :

Schedule compression shortens the project schedule without changing the project scope to meet schedule constraints, imposed dates, or other schedule objectives. Schedule compression techniques include Crashing and Fast tracking.

Reference: *PMBOK® Guide* - Fifth Edition, page 181

PMstudy.com comments: If a project is getting delayed, it is appropriate to find out whether the schedule can be decreased by fast tracking or crashing. The implications of these techniques (e.g., increase in risk / costs) should be conveyed to the management for approval.

Question No : 9

Which project will be selected from the following options?

Choice 1 Project A: internal rate of return of 12%, opportunity cost \$0

Choice 2 Project B: internal rate of return of - 2%, opportunity cost of \$20,000

Choice 3 Project C: benefit cost ratio of 0.5, payback period of 6 months

Choice 4 Project D: internal rate of return of 0%, opportunity cost of \$200,000

Correct Choice : 1

Justification :

The only suitable option is option 1, because the internal rate of return is positive, i.e., 12%. All other options exhibit unfavorable selection criteria. Opportunity cost is not a selection criteria.

Internal Rate of Return (IRR)

- Discount Rate on an investment which makes Present value of cash inflows = Present value of cash outflows
- Project Selection Criterion: Select a project with higher IRR.

Example: There are two projects. Project A has an IRR of 15% and will be completed in 5 years. Project B has an IRR of 10% and will be completed in 1 year. Which project will you select?

Answer: Project A will be selected. The fact that project B has a smaller duration than project A does not matter because time is already taken into account in IRR calculations.

Reference: PMstudy.com comments

Question No : 10

You want to identify quality requirements and standards relevant to your project and product. For this, you will:

Choice 1 Perform Quality Assurance

Choice 2 Plan Quality

Choice 3 Perform Quality Control

Choice 4 Plan Quality Management

Correct Choice : 4

Justification :

Plan Quality Management is the process of identifying quality requirements and/or standards for the project and its deliverables and documenting how the project will demonstrate compliance with quality requirements.

Reference: *PMBOK® Guide* - Fifth Edition, page 227

Question No : 11

Maximum intensity of conflicts occur over:

Choice 1 Priorities

Choice 2 Schedules

Choice 3 Personality

Choice 4 Cost

Correct Choice : 2

Justification :

- Schedules
- Priorities
- Manpower
- Technical
- Procedures
- Personality
- Costs



Reference: Project Management - A Systems Approach to Planning, Scheduling and Controlling, page 302

Question No : 12

You have completed the Manage Communications process and are now in a position to make the required information available to the project stakeholders in a timely manner. Which of the following is NOT an output from Manage Communications process?

Choice 1 Performance reports

Choice 2 Project reports and presentations

Choice 3 Stakeholder notifications

Choice 4 Project records

Correct Choice : 1

Justification :

Performance reports are the output from the Control Communications process and not from the Manage Communications process. All the remaining stated in the other options are included in Organizational Process Assets updates, which is the one of the outputs from the Manage Communications process.

Reference: *PMBOK® Guide* - Fifth Edition, pages 302 and 308

Question No : 13

You are the project manager for XYZ company. The Quality Control team recently identified a large number of defects in the project deliverables which the team had to repair. You have been working for a few weeks with the Quality Assurance team to adjust some quality procedures and address some training issues for your project which the team believes is the reason for the defects. The project is now behind schedule due to the problems encountered. The CPI is currently 1.12 and the SPI 0.82. While discussing the quality issues in a status meeting, a key stakeholder comments that she is alarmed at the potential cost impact of one particular risk and is wondering why it is of little concern to the project team. You are confident that her concern for that particular cost risk is unwarranted at the moment; in fact, you believe there is another risk that is of bigger concern. The following table displays the current risks for your project. Considering that schedule is a concern right now, which risk are you going to tell the stakeholder and other meeting participants is the greatest and is therefore the biggest concern of the team right now?

Risk	Probability	Cost Impact	Schedule Impact
A	0.4	2	8
B	0.4	6	3
C	0.3	2	3
D	0.2	4	9

Choice 1 A

Choice 2 B

Choice 3 A & B

Choice 4 D

Correct Choice : 1

Justification :

For each risk identified, multiply the probability by the cost and schedule impact. Once you have each P & I score, you can prioritize the risks. Risk A currently is the biggest threat to your schedule and overall objectives.

Risk	Probability	Cost Impact	Schedule Impact	PI (Cost)	PI (Schedule)	Total
A	0.4	2	8	0.8	3.2	4
B	0.4	6	3	2.4	1.2	3.6
C	0.3	2	3	0.6	0.9	1.5

D	0.2	4	9	0.8	1.8	2.6
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Reference: PMstudy.com comments

Question No : 14

You had conducted an independent estimate to find out the cost of sub-contracting the manufacturing of 1,000,000 ball-bearings for your automobile company. You estimated the cost to be \$500 per bearing. However, when you asked for bids and proposals from prospective sellers, the minimum price quoted was \$750 per bearing. Which of the following can be a reason for the variance in the estimate?

- A. The procurement statement of work was not clear.
- B. The prospective sellers misunderstood the procurement statement of work.
- C. The procurement statement of work was not sufficient.
- D. There have not been major changes in the cost of material and labor since last year.

Choice 1 B, C and D

Choice 2 Only B and C

Choice 3 All of the Above

Choice 4 A, B and C

Correct Choice : 4

Justification :

Significant differences in cost estimates can be an indication that the procurement statement of work was deficient, ambiguous, and/or that the prospective sellers either misunderstood or failed to respond fully to the procurement statement of work.

Reference: *PMBOK® Guide* - Fifth Edition, page 376

PMstudy.com comments: (Option 4) Since there have not been major changes in the cost of material and labor since last year, the independent estimates should be close to the amount quoted by prospective sellers.

Question No : 15

During the Identify Stakeholders process, which document may provide some initial idea of who the stakeholders are for a project?

Choice 1 Communications management plan

Choice 2 Project charter

Choice 3 Human resource contracts

Choice 4 Responsibility assignment matrix

Correct Choice : 2

Justification :

The project charter is an input to the Identify Stakeholder process which provides some initial information about the project's stakeholders, such as the sponsor, customer(s), team members, and groups/organizations involved in, or affected by the project.

Reference: PMstudy.com comments

Question No : 16

While reviewing the performance reports of your project, you notice that the Cost Performance Index (CPI) is 1.2 and Schedule Performance Index (SPI) is 0.8. In this case you should:

Choice 1 Make changes to the performance baseline to improve the SPI

Choice 2 Evaluate options to crash or fast-track the project

Choice 3 Inform the management why the project got delayed

Choice 4 Tell the team-members that they have no option but to meet the target dates as stated in the project schedule

Correct Choice : 2

Justification :

Since SPI is 0.8, the project is behind schedule. But since CPI is 1.2, you are under budget.

Option 2: This (Fast tracking or crashing) is the only alternative that helps solve the problem. They may increase costs but decrease the project timelines.

Option 1: This is unethical and does not solve the issue.

Option 3: This does not solve the problem. Accepting the change in schedule timelines and informing management about the project delay should be the last option to choose, as there is no other way to bring the project back on track.

Option 4: This is going to put the team members under a lot of stress, because the cause of the problem is not properly investigated and identified.

Reference: PMstudy.com comments

Question No : 17

Which of the following aspects of a project is NOT the responsibility of a project manager?

Choice 1 Keep the project on track in terms of schedule and budget

Choice 2 Identify, monitor, and respond to risk

Choice 3 Provide accurate and timely report of project metrics

Choice 4 Ensure integrity of project team members

Correct Choice : 4

Justification :

A project manager is in charge of all aspects of the project including, but not limited to developing the project management plan and all related component plans, keeping the project on track in terms of schedule and budget, identifying, monitoring, and responding to risk, and providing accurate and timely reporting of project metrics.

Although the project manager is responsible for the integrity of the overall project, she is not responsible for the integrity of individual team members.

Reference: PMstudy.com comments

Question No : 18

A technological advance, legal requirement, or social need refers to:

- Choice 1** Issues that need to be managed in the project plan
- Choice 2** Environmental factors that usually have detrimental effect on the project
- Choice 3** Risks that have to be managed by the project manager
- Choice 4** Factors contributing to the creation of the business case

Correct Choice : 4

Justification :

The business case is created as a result of one or more of the following:

- Market demand
- Organizational need
- Customer request
- Technological advance
- Legal requirement
- Ecological impacts
- Social need

Reference: *PMBOK® Guide* - Fifth Edition, page 69

Question No : 19

Your project involves manufacturing high-precision engine subassemblies for the shipping industry. You have to perform several activities such as measuring, examining, and verifying to determine whether work and deliverables meet requirements and product acceptance criteria. You would have to do product reviews, audits, and walkthroughs. These activities are carried out in which process?

Choice 1 Validate Scope

Choice 2 Quality Inspection

Choice 3 Collect Requirements

Choice 4 Control Scope

Correct Choice : 1

Justification :

Validate Scope includes inspection as a technique. Inspection includes activities such as measuring, examining, and validating to determine whether work and deliverables meet requirements and product acceptance criteria. Inspections are sometimes called reviews, product reviews, audits, and walkthroughs.

Reference: *PMBOK® Guide* - Fifth Edition, page 135

Question No : 20

You are a project manager overseeing a canal development project. The table given below shows the time estimates for the different tasks involved. Please refer to it and answer the question that follows.

Task	Preceding Activity	Estimate in Months
Start	-	0
1	Start	3
2	1	4
3	Start	2
5	3	5
4	Start	7
5	4	1
End	2	3
End	5	4

What is the impact on the project if task 1→ 2 takes 2 months more than what was earlier planned?

Choice 1 The project duration will increase by 1 month

Choice 2 The project risk will increase

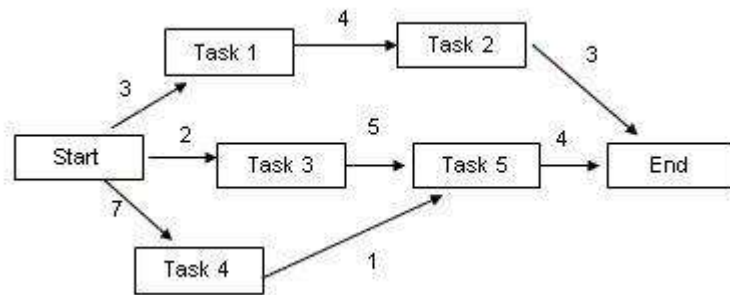
Choice 3 The project duration will increase by 2 months

Choice 4 The project float will increase by 2 months

Correct Choice : 2

Justification :

Please refer to the diagram below:



The lengths of different paths are:

Start→ 1→ 2→ End: 10 months

Start→ 3→ 5→ End: 11 months

Start→ 4→ 5→ End: 12 months

Since the longest path is Start→ 4→ 5→ End, this is the critical path. Length of the critical path is 12 months.

If task 1→ 2 takes 2 more months,
length of Start→ 1→ 2→ End : 12

Now we have 2 critical paths, i.e.,

Start→ 1→ 2→ End: 12 months

Start→ 4→ 5→ End: 12 months

Hence, the risk in the project increases, because delay in either of the critical paths will cause a delay in the project.

Reference: PMstudy.com comments

Question No : 21

You are creating a cost performance baseline for your project. In this context, which of the following statements related to cost performance baseline is incorrect?

Choice 1 It is a time-phased budget.

Choice 2 It is used as a basis for comparison to actual results.

Choice 3 It is developed as a summation of the approved budgets for the different schedule activities.

Choice 4 It includes management reserves.

Correct Choice : 4

Justification :

The cost baseline is the approved version of the time-phased project budget, excluding any management reserves, which can only be changed through formal change control procedures and is used as a basis for comparison to actual results. It is developed as a summation of the approved budgets for the different schedule activities.

Reference: *PMBOK® Guide* - Fifth Edition, page 212

Question No : 22

After quality planning, you have created a component-specific tool to verify that the required steps have been performed to test your product. This can also be referred to as:

Choice 1 Checklist

Choice 2 Operational definition

Choice 3 Quality management plan

Choice 4 Design of experiments (DOE)

Correct Choice : 1

Justification :

A checklist is a structured tool, usually component-specific, used to verify that a set of required steps has been performed.

Reference: *PMBOK® Guide* - Fifth Edition, page 242

Question No : 23

In your project, you recently observed conflict among team members. You would like to see that all team members work towards one goal (i.e., successful completion of the project). A conflict handling method that emphasizes similarities rather than differences as means to solve a problem can also be referred to as:

Choice 1 Smoothing

Choice 2 Forcing

Choice 3 Confrontation

Choice 4 Withdrawal

Correct Choice : 1

Justification :

Blake and Mouton have delineated five modes for handling conflicts as listed below:

- **Withdrawal:** Retreating or withdrawal from a potential disagreement.
- **Smoothing:** De-emphasizing or avoiding areas of differences and emphasizing areas of agreement.
- **Compromising:** Bargaining and searching for solutions that bring some degree of satisfaction to the parties in a dispute. Characterized by a "give and take" attitude.
- **Forcing:** Exerting one's viewpoint at the potential expense of another. Often characterized by competitiveness and a win-lose situation.

- **Confrontation:** Facing the conflict directly, which involves a problem solving approach, whereby affected parties work through their disagreements.

Reference: Project Management - A Systems Approach to Planning, Scheduling and Controlling, pages 304, 305 and 306

Question No : 24

You are not happy with the performance of a team member. In this context:

- a) What type of communication will you use to relay your concerns to the concerned team member?
- b) If the performance of the team member does not improve even after voicing your concern, what form of communication will you use to convey the information to the senior management?

Choice 1 a) informal oral, b) informal written

Choice 2 a) informal oral, b) formal written

Choice 3 a) formal written, b) formal written

Choice 4 a) informal written, b) formal written

Correct Choice : 2

Justification :

Various Forms of Communication and Their Characteristics

Form of Communication	Characteristics	Examples
Written Formal	<ul style="list-style-type: none">• Precise• Transmitted through the medium of correspondence	<ul style="list-style-type: none">• Project charter, scope statement, project plan, WBS, project status• Complex issues• Contract related communications• Memos
Written Informal		<ul style="list-style-type: none">• Email, notes, letters, etc.• Regular communication with team members

Oral Formal	<ul style="list-style-type: none"> • High degree of flexibility 	<ul style="list-style-type: none"> • Presentations, speeches,
Oral Informal	<ul style="list-style-type: none"> • Use the medium of personal contact, group meetings, or telephone 	<ul style="list-style-type: none"> • Negotiations • Conversation with team members • Project meetings • Break-room or war-room conversations
Non-verbal Communication	<ul style="list-style-type: none"> • About 55% of total communication 	<ul style="list-style-type: none"> • Facial expressions, hand movements, tone of voice while speaking, etc.

Reference: Project Management - A Systems Approach To Planning, Scheduling and Controlling, Ninth Edition, page 273.

Please note that initial communication about performance should preferably be informal oral (e.g. face-to-face meeting). If the performance does not improve, while escalating to senior management, formal-written communication should be used.

Reference: PMstudy.com study notes

Question No : 25

You are the project manager in an automobile manufacturing company. Machine parts required in your manufacturing process supplied by a vendor did not reach in time because of heavy rains. You had anticipated this risk and planned for it in your risk response plan. So, as per your risk response plan, you started using unutilized machine parts supplied one year ago. However, this has subjected your project to a new risk - the machine parts which were not used for one year suffer from higher level of defects.

This new risk can also be called:

Choice 1 Unidentifiable risks

Choice 2 Unmanageable risks

Choice 3 Secondary risks

Choice 4 Residual risks

Correct Choice : 3

Justification :

Secondary risk. A risk that arises as a direct result of implementing a risk response.

Reference: *PMBOK® Guide* - Fifth Edition, page 562

Question No : 26

You have contracted some work to a vendor, and would like to identify successes and failures that warrant recognition in the preparation or administration of other procurement contracts within the performing organization. This can be performed through:

Choice 1 Procurement audit

Choice 2 Contract file

Choice 3 Contract performance reporting

Choice 4 Lessons learned documentation

Correct Choice : 1

Justification :

A procurement audit is a structured review of the procurement process originating from the Plan Procurement Management process through Control Procurements. The objective of a procurement audit is to identify successes and failures that warrant recognition in the preparation or administration of other procurement contracts on the project, or on other projects within the performing organization.

Reference: *PMBOK® Guide* - Fifth Edition, page 388

Question No : 27

Which of the following would NOT be considered a useful Organizational Process Asset when identifying stakeholders?

Choice 1 Lessons learned from previous phases

Choice 2 Stakeholder register templates

Choice 3 Stakeholder registers from previous projects

Choice 4 Organizational culture for identifying stakeholders

Correct Choice : 4

Justification :

Stakeholder register templates, lessons learned from previous projects or phases, and stakeholder registers from previous projects are all examples of Organizational Process Assets useful during the Identify Stakeholders process. Organizational culture is an Enterprise Environmental Factor to be considered, not an Organizational Process Asset.

Reference: *PMBOK® Guide* Fifth Edition, page 395

Question No : 28

One of your team members filed a critical report ten minutes before a bidder conference. You notice some serious errors have crept into the report. You should:

- Choice 1** Cancel the meeting and reschedule it at a later date
- Choice 2** Go ahead with the meeting and tell the participants what is wrong with the report
- Choice 3** Go ahead with the meeting, but ask your team member to make the presentation
- Choice 4** Refer the team member's report to management and ask them to cancel the meeting

Correct Choice : 1

Justification :

Option 1 is the best choice. Option 2 and 3 can adversely impact the team morale and undermine your position in the bidder conference. Option 4 is not recommended, as you should try to solve the problem yourself.

Reference: PMstudy.com comments

Question No : 29

You have been managing a project to construct an overpass on Interstate 10. You have divided the project into phases to provide better management control. Which of the following is a characteristic of a project phase?

Choice 1 Formal phase completion necessarily includes authorization for the subsequent phase.

Choice 2 The closure of a phase is required to be approved in some form before it can be considered closed.

Choice 3 A project phase should not be divided into sub-phases even in complex projects, because it will be difficult to manage.

Choice 4 All deliverables in the project phase should correspond to the project management process.

Correct Choice : 2

Justification :

In many cases, the closure of a phase is required to be approved in some form before it can be considered closed.

Reference: *PMBOK® Guide* - Fifth Edition, page 41

Question No : 30

The organization of the project is very important for successful implementation. Which factor does NOT have any impact on the design of the project organization?

Choice 1 Environmental forces

Choice 2 Schedule limitations

Choice 3 Strategic choices

Choice 4 Technological factors

Correct Choice : 2

Justification :

Schedule limitations can shape the size of the project team but will not influence its organizational design.

Reference: Project Management - A Systems Approach to Planning, Scheduling and Controlling.

Also mentioned in "Organizing Projects for success"

PMstudy.com comments: Option 1 (Environmental forces), option 3 (Strategic choices) and option 4 (Technological factors) influence the organizational design.

Question No : 31

An environmental remediation project has succeeded in reducing costs. This is achieved by implementing a change request for new technology that was not available when the scope was originally defined. The technology change that is adopted is a/an:

Choice 1 Value adding change

Choice 2 Error or omission in defining the scope of the project

Choice 3 External event

Choice 4 Contingency or workaround plan

Correct Choice : 1

Justification :

Value addition, usually, is a result of implementation of change requests. A contingency plan would have had to be created at the start and since this technology was not available then, it cannot be the answer. Since the technology wasn't previously available, it cannot be considered as an error in the plan.

Reference: PMstudy.com comments

Question No : 32

In your project team, you have developed a rule of thumb that scarce resources will have to be allocated first to the critical path. This rule of thumb can also be referred to as:

Choice 1 Constraints

Choice 2 Assumptions

Choice 3 Best Practices

Choice 4 Heuristics

Correct Choice : 4

Justification :

Heuristics (or rule of thumb), such as allocation of scarce resources to the critical path first, can be applied to develop a schedule.

Reference: PMstudy.com comments

Question No : 33

Your company primarily uses Benefit Cost Ratio (BCR) as a project selection criterion. In this context, which of the following statements related to Benefit Cost Ratio (BCR) is incorrect?

Choice 1 Projects with $BCR > 1$ should be considered for selection

Choice 2 BCR is the ratio of payback to costs

Choice 3 If two projects have positive BCR, select the project with higher BCR

Choice 4 For any project, Benefits = Profits

Correct Choice : 4

Justification :

Benefits are not profits, $Benefits = Revenues/Costs$

- Benefit Cost Ratio (BCR) = Benefits (or Payback or Revenue)/ Costs
- Project Selection Criterion: Select project with higher BCR
- $BCR > 1$ means that benefits (i.e. expected revenue) is greater than the cost. Hence, it is beneficial to do the project.

Example: There are two projects. Project A has an investment of \$500,000 and a BCR of 2.5. Project B has an investment of \$300,000 and a BCR of 1.5. Using Benefit Cost Ratio criterion, which project will you select?

Answer: Project A will be selected. The fact that project B has a smaller investment than project A will not impact the selection.

Reference: PMstudy.com study notes

Question No : 34

In your project, you have used valuable inputs to produce project activity metrics to evaluate actual progress as compared to planned progress. The inputs used during the Control Quality process are:

- A. Risk register
- B. Organizational process assets
- C. Quality management plan
- D. Work performance data

Choice 1 B, C and D

Choice 2 A, C and D

Choice 3 A, B and D

Choice 4 A, B and C

Correct Choice : 1

Justification :

The risk register is not an input to the Control Quality process.

Reference: *PMBOK® Guide* - Fifth Edition, page 249 (figure 8-11)

PMstudy.com comments: Please note that the Project Management Plan (which is an input to this process) includes the Quality management plan.

Question No : 35

What are Tuckman`s stages of group development in their respective order?

Choice 1 Forming, Norming, Storming, Performing, Adjourning

Choice 2 Forming, Storming, Smoothing, Performing, Adjourning

Choice 3 Forming, Storming, Norming, Performing, Adjourning

Choice 4 Forming, Norming, Storming, Performing, Closing

Correct Choice : 3

Justification :

Tuckman described five stages of team development. Teams usually go through the stages in order, but it is possible for teams to skip a stage or get stuck in, or revert to a previous stage.

1. **Forming** – Team meets, learns their roles and responsibilities and agree on goals; individuality is at its highest during this phase
2. **Storming** – Team starts working on the project; competition may result from different individual ideas; “I am right” mentality
3. **Norming** – Team members adjust their behavior to work as a team; learn to trust each other; “We can work together” mentality
4. **Performing** – Teams are able to function as an organized and interdependent unit as they find ways to get the job done smoothly and effectively

5. **Adjourning** – Completing the task and moving on from the project as staff are released during project or phase closure

Reference: Tuckman, Bruce (1965). Developmental sequence in small groups. Psychological Bulletin 63 (6): 384–99.

Question No : 36

During critical negotiations on outstanding issues arising out of a contract, you should pay close attention to which form of communication?

Choice 1 Oral formal

Choice 2 Oral informal

Choice 3 Non-verbal

Choice 4 Written formal

Correct Choice : 3

Justification :

Non-verbal communication forms more than 55% of the total communication and is important to pay attention to while negotiations are being conducted.

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Reference: Project Management - A Systems Approach To Planning, Scheduling and Controlling, Ninth Edition, page 273.

Reference: PMstudy.com study notes

Question No : 37

Based on past estimates, there is a 25% probability for a particular event to occur every year. If a project lasts for three years, what is the probability of the event happening in the third year?

Choice 1 15.625 %

Choice 2 6.25 %

Choice 3 25%

Choice 4 75%

Correct Choice : 3

Justification :

The probability of the event happening every year is 25%. So, the probability of the event happening in the third year is also 25%.

Reference: PMstudy.com comments

Question No : 38

In your project, you wish to manage procurement relationships, monitor contract performance, and make changes and corrections as needed. Which of the following would you not use?

Choice 1 Agreements

Choice 2 Work performance data

Choice 3 Approved change requests

Choice 4 Project schedule

Correct Choice : 4

Justification :

Project schedule is an input to the Plan Procurement Management process; all the other options are inputs to Control Procurements process.

Reference: *PMBOK® Guide* - Fifth Edition, pages 358 and 379 (figures 12-2 and 12-6, respectively)

Question No : 39

Which of the following is used to classify critical stakeholders on a project as a “manage closely” approach?

Choice 1 Identify Stakeholders

Choice 2 Plan Stakeholder Management

Choice 3 Stakeholder Analysis

Choice 4 Plan Communications Management

Correct Choice : 3

Justification :

During the Identify Stakeholders process, stakeholder analysis is a technique used to gather and analyze information to determine the project stakeholders. This technique includes the classification of stakeholders. The Power/Interest Grid is one model which can be used for this purpose.

Stakeholders who have a high level of authority (power) and high level of concern (interest) regarding the project outcomes, fall into the “Manage Closely” quadrant of the Power/Interest Grid (please refer *PMBOK® Guide* Fifth Edition, page 397, figure 13-4).

Reference: PMstudy.com comments

Question No : 40

In an informal discussion you had with another PMP certificant, he mentioned how he was able to sit for the PMP Certification exam three years ago using false contact hour certificates. You should:

Choice 1 Report this to PMI

Choice 2 Report this to your manager

Choice 3 Do nothing, since he is a colleague

Choice 4 Do nothing, since he had taken the PMP exam three years ago, and contact hour certificates get audited only for one year

Correct Choice : 1

Justification :

A project manager's responsibility is to report, upon a reasonable and clear factual basis, possible violations of PMI Code of Ethics and Professional Conduct committed by individuals in the project management field.

Reference: PMI Code of Ethics and Professional Conduct and PMstudy.com study notes

Question No : 41

The CEO of ABC bank is concerned about the increase in "call answering time" in the bank's call center (i.e., customers have to wait longer for their calls to be answered by an operator). She wants to improve call center processes to decrease the "call answering time." What should the CEO do to address the situation?

Choice 1 Set up a PMO

Choice 2 Assign a very competent project manager to manage activities in the call center

Choice 3 Move to a projectized organizational structure

Choice 4 Continue with a functional organizational structure, and try to streamline activities

Correct Choice : 4

Justification :

This is an operation and not a project (projects are temporary and unique, but call center activities are ongoing and repetitive).

In this context, the CEO should not try to handle this issue as a project and do none of the activities mentioned in option 1, option 2, or option 3.

Since this is an operation, option 4 provides the best course of action for the CEO to address this situation, i.e., continue with a functional organizational structure (which is recommended for managing operations) and try to streamline activities.

Reference: PMstudy.com comments

Question No : 42

As the project manager of an IT project, you are directing and managing the project work. You have been looking at information related to similar projects. Which tools will you use?

Choice 1 Interpersonal skills, product skills and knowledge, and work authorization system (WAS)

Choice 2 Status review meetings and organization procedures

Choice 3 Project management information system and expert judgment

Choice 4 Risk management and project selection techniques

Correct Choice : 3

Justification :

Please refer the *PMBOK® Guide* - Fifth Edition, page 65 (figure 4-1)

Reference: *PMBOK® Guide* - Fifth Edition, page 65 (figure 4-1)

Question No : 43

Your company is constructing a dam, and your project (being performed under an agreement) mandates that you pay compensation to persons displaced because of the project. What kind of constraint is this?

Choice 1 Social

Choice 2 Legal

Choice 3 Environmental

Choice 4 Humanitarian

Correct Choice : 2

Justification :

When a project is performed under an agreement, contractual provisions will generally be constraints.

Reference: *PMBOK® Guide* Fifth Edition, page 124

Question No : 44

You are in the process of performing Develop Schedule process to determine planned start and finish dates for project activities. Which of the following inputs will be helpful in this process?

Choice 1 Activity attributes, project scope statement, and activity list

Choice 2 Activity list, activity attributes, and schedule data

Choice 3 Project calendar, requested changes, and schedule data

Choice 4 Work performance information, schedule baseline, and performance reports

Correct Choice : 1

Justification :

In Develop Schedule process, planned start and finish dates for project activities are determined by using activity attributes, project scope statement, and activity list as part of inputs.

Reference: *PMBOK® Guide* - Fifth Edition, page 173 (figure 6-16)

PMstudy.com comments: Schedule data and schedule baseline are outputs of Develop Schedule process; and work performance information is an output of Control Schedule process.

Question No : 45

Your business partner is ready to invest \$ 110,000 in your company one year from now. The interest rate used in your company to calculate Present Value (PV) of expected yearly benefits and costs is 10%. What is the PV of this investment?

Choice 1 \$112,000

Choice 2 \$100,000

Choice 3 \$80,000

Choice 4 \$110,000

Correct Choice : 2

Justification :

$$PV = 110,000 / (1 + 10/100) = 100,000$$

Example of PV: Assume that \$ 1,100(FV – Future Value) is going to be invested one year (n) from now. The discount rate (e.g. inflation) is 10 % (r) . What is the present Value? (PV)

Answer:

$$PV = \frac{FV}{(1 + r/100)^n} = \frac{\$ 1,100}{(1 + 10/100)^1} = \frac{\$ 1,100}{1.1} = \$ 1,000$$

What this means: If you are expecting to get \$ 1,100 1 year from, its present value is only \$ 1,000 – this is because the value of money decreases every year

Reference: PMstudy.com study notes

Question No : 46

You are preparing a quality management plan for your project. Which of the following will you use in this process?

- A. Cost-benefit analysis
- B. Quality checklists
- C. Cost of quality
- D. Benchmarking

Choice 1 B, C and D

Choice 2 A, C and D

Choice 3 A, B and D

Choice 4 A, B and C

Correct Choice : 2

Justification :

Quality management plan and quality checklists are outputs of Plan Quality Management process. Quality checklists are used in the Control Quality process, and the remaining three are used as tools and techniques for Plan Quality Management process.

Reference: *PMBOK® Guide* - Fifth Edition, pages 230 (figure 8-1) and 242

Question No : 47

You are annoyed with your team members because of their constant disagreements. You ask them to stop arguing and do the work the way in which you want it to be done. The conflict handling approach you are following is:

Choice 1 Smoothing

Choice 2 Forcing

Choice 3 Confrontation

Choice 4 Withdrawal

Correct Choice : 2

Justification :

Blake and Mouton have delineated five modes for handling conflicts as listed below:

- **Withdrawal:** Retreating or withdrawal from a potential disagreement.
- **Smoothing:** De-emphasizing or avoiding areas of differences and emphasizing areas of agreement.
- **Compromising:** Bargaining and searching for solutions that bring some degree of satisfaction to the parties in a dispute. Characterized by a "give and take" attitude.
- **Forcing:** Exerting one's viewpoint at the potential expense of another. Often characterized by competitiveness and a win-lose situation.
- **Confrontation:** Facing the conflict directly, which involves a problem solving approach, whereby affected parties

work through their disagreements.

Reference: Project Management - A Systems Approach to Planning, Scheduling and Controlling, pages 304, 305 and 306

Question No : 48

In your project, you are using the Control Communications process to organize and summarize the information gathered. Later, you present the results of the analysis as a comparison to the performance measurement baseline. Some common formats for performance reports that you could use are:

Choice 1 S-curves, histograms, pareto diagrams

Choice 2 S-curves, responsibility assignment matrices, histograms

Choice 3 Bar charts, S-curves, histograms

Choice 4 Bar charts, control charts, histograms

Correct Choice : 3

Justification :

Common formats for performance reports include bar charts, S-curves, histograms, and tables.

Option 1: Pareto diagrams are used in the Control Quality process.

Option 2: Responsibility assignment matrices are used in the Plan Human Resource Management process.

Option 4: Control charts are used in the Control Quality process.

Reference: PMstudy.com comments

Question No : 49

As a project manager, you estimate that, in your project, there is:

50% probability of earning \$40,000 profit

50% probability of incurring \$25,000 loss

What is the expected value for the project considering profit and loss possibilities?

Choice 1 \$32,500

Choice 2 \$25,000

Choice 3 \$7,500

Choice 4 - \$7,500

Correct Choice : 3

Justification :

Expected Profit = Sum of (Probability X Profit) (for each alternative)

= $(0.50 \times \$40,000) + (0.50 \times -\$25,000)$

= \$20,000 - \$12,500

= \$7,500

Reference: PMstudy.com comments

Question No : 50

In your new project, you have to provide a critical deliverable within five months and do not have time to go through the Conduct Procurements process. You decide to sign a contract with a supplier with whom your company has done some work in the past. The risk you are accepting in this situation is:

Choice 1 The ability of the supplier to deliver the goods

Choice 2 Collusion between the supplier and your team

Choice 3 Lack of proper scope definition

Choice 4 Lack of a legally binding agreement

Correct Choice : 1

Justification :

The risk here is that even though the supplier has worked with the company in the past, they may not have the required skills for the current project.

Reference: PMstudy.com comments

Question No : 51

It is important for the project manager to effectively engage stakeholders throughout the project life cycle in order to ensure support of the project's objectives. Analytical techniques are used to:

Choice 1 Compare current to planned stakeholder engagement levels

Choice 2 Keep stakeholders satisfied

Choice 3 Engage stakeholders

Choice 4 Analyze the effectiveness of the Stakeholder Management Plan

Correct Choice : 1

Justification :

The current engagement levels of all stakeholders needs to be compared to the planned engagement levels required for successful project completion....The project team needs to identify the desired engagement level for the current phase of the project, based on available information.

Reference: *PMBOK® Guide* - Fifth Edition, page 402

Question No : 52

When the contract is halfway through, the buyer requests you to incorporate some additional requirements which were not defined in the original contract. Since satisfying the buyer is important, you go ahead and incorporate those requirements as part of the project. According to PMI, this action is a violation of which aspect of Code of Ethics and Professional Conduct?

Choice 1 Responsibility to maintain and satisfy the scope and objectives

Choice 2 Responsibility to ensure that a conflict of interest does not compromise legitimate interests

Choice 3 Responsibility to provide accurate and truthful representations

Choice 4 Responsibility to cooperate with PMI concerning ethics violation and the collection of related information

Correct Choice : 1

Justification :

Option 1 is violated because adding the requirement violates the contractual terms, which will impact project deliverables. Options 2, 3, and 4 are not relevant in this context.

Reference: PMI Code of Ethics and Professional Conduct

Question No : 53

You are planning for your project. In this context, which of the following processes should you consider?

Choice 1 Define Scope, Develop Schedule, Plan Risk Management, Plan Communications Management

Choice 2 Plan Quality Management, Plan Procurement Management, Plan Risk Responses, Control Costs

Choice 3 Perform Quality Assurance, Develop Project Team, Manage Communications, Plan Risk Management

Choice 4 Validate Scope, Control Quality, Control Schedule, Control Costs

Correct Choice : 1

Justification :

Please refer to table 3-1 and figure A1-7, *PMBOK® Guide* - Fifth Edition, pages 61 and 428 respectively.

Reference: *PMBOK® Guide* - Fifth Edition, pages 61 and 428

Question No : 54

In the process of directing and managing the project work, your project team may request changes to expand or modify project scope, policies, procedures, project cost, or budget. Which of the following is NOT a request for a change?

Choice 1 Direct or indirect

Choice 2 Externally or internally initiated

Choice 3 Optional or legally mandated

Choice 4 Formal or informal

Correct Choice : 4

Justification :

Requests for change can be direct or indirect, externally or internally initiated, and can be optional or legally/contractually mandated.

Reference: *PMBOK® Guide* - Fifth Edition, page 85

PMstudy.com comments: Request for change is always a formal process.

Question No : 55

You are reaching project completion, and want to understand whether your project was successful. In this context, for a project to be successful, what is the primary requirement?

Choice 1 Customer satisfaction

Choice 2 Exceeding customer expectations

Choice 3 Meeting the cost and schedule estimates

Choice 4 Satisfying the requirements of the project sponsor

Correct Choice : 1

Justification :

Project: Success is measured by product and project quality, timeliness, budget compliance, and degree of customer satisfaction.

Reference: *PMBOK® Guide* Fifth Edition, page 8

PMstudy.com comments: Customer satisfaction is the primary criterion for measuring the project success. Although meeting customer expectations is necessary, exceeding customer expectations, cost, and schedule estimates are not primary requirements for a successful project - at times, this may even be gold plating. Please note that while in a few cases the customer and sponsor may be the same person, they are by definition two different groups.

Question No : 56

In your project, you are in the process of creating an activity list. This should contain which of the following:

- A. Activities not to be performed as part of the project
- B. Activities that are to be performed as part of the project
- C. Activity identifier and scope of work description for each schedule activity in sufficient detail
- D. Activities that are required for the project

Choice 1 B, C and D

Choice 2 C, D and A

Choice 3 D, A and B

Choice 4 A, B and C

Correct Choice : 1

Justification :

The activity list is a comprehensive list that includes all schedule activities required on the project. The activity list also includes the activity identifier and a scope of work description for each activity in sufficient detail to ensure that project team members understand what work is required to be completed.

Reference: *PMBOK® Guide* - Fifth Edition, page 152

PMstudy.com comments: Activity list will not include activities that are not to be performed as part of the project.

Question No : 57

In your project, there have been several changes in the cost and schedule estimates, and the original estimating assumptions are no longer valid. Calculate the estimate at completion (EAC) for your project based on the following data?

BAC = \$300,000

AC = \$100,000

EV = \$150,000

CPI = 1.2

ETC = \$120,000

Choice 1 \$250,000

Choice 2 \$220,000

Choice 3 \$280,000

Choice 4 \$300,000

Correct Choice : 2

Justification :

Since original estimating assumptions are no longer valid, $EAC = AC + ETC = \$100,000 + \$120,000 = \$220,000$

Acronym	Term	Description	Formula
EAC	Estimate at Completion	Forecast of most likely total project cost based on project performance 1. Original estimating assumptions no longer valid 2. Current Variances are atypical; similar variances will not occur in the future	1. $AC + ETC$ 2. $AC + BAC - EV$ 3. $AC + (BAC - EV)/CPI$

		3. Current Variances are typical of future variances	
BAC	Budget at Completion	Budget for the whole project	$EAC \times CPI$
ETC	Estimate to complete	From this point, how much time is required to complete the project	$EAC - AC$
VAC	Variance at completion	Over or under budget	$BAC - EAC$

Question No : 58

As a project manager, you are aware that quality has costs associated with it. Which of the following statements is NOT related to cost of quality?

Choice 1 Cost of appraising the product or service for conformance to requirements

Choice 2 Cost of rework

Choice 3 Costs incurred by investment in preventing non-conformance to requirements

Choice 4 Cost of evaluating alternative projects

Correct Choice : 4

Justification :

Cost of quality includes all costs incurred over the life of the product by investment in preventing nonconformance to requirements, appraising the product or service for conformance to requirements, and failing to meet requirements (rework).

Reference: *PMBOK® Guide* - Fifth Edition, page 235

PMstudy.com comments: Cost of evaluating alternative projects is not included as part of cost of quality.

Question No : 59

As part of your staffing management plan, you are creating a chart to illustrate the number of hours that a person, department, or entire project team will need each week or month over the course of the project. This chart is also known as:

Choice 1 Resource control chart

Choice 2 Resource breakdown structure

Choice 3 Resource histogram

Choice 4 Resource run chart

Correct Choice : 3

Justification :

The staffing management plan, is a component of the human resource management plan that describes when and how project team members will be acquired and how long they will be needed. The staffing management plan can be formal or informal, highly detailed or broadly framed, depending upon the needs of the project. One tool for charting human resources is a resource histogram.

Reference: *PMBOK® Guide* - Fifth Edition, pages 265 and 266

Question No : 60

In the closure stage of your project, you are interacting with your team to create lessons learned documentation, which will include recommendations to improve performance of future projects. Which of the following will you NOT include in the lessons learned documentation?

Choice 1 Cause of variances

Choice 2 Justification for corrective action chosen

Choice 3 Only positive aspects of the project which can be used by others in the company

Choice 4 Reasons for cost variances if the project is over-budget

Correct Choice : 3

Justification :

Lessons learned documentation: Documentation includes the causes of issues, reasoning behind the corrective action chosen, and other types of lessons learned about communications management. Lessons learned need to be documented and distributed so that it becomes part of the historical database for both the project and the performing organization.

Reference: *PMBOK® Guide* - Fifth Edition, page 303

PMstudy.com comments: Lessons learned documentation includes both positive and negative aspects of the project. It is important to document negative aspects to avoid them in future projects.

Question No : 61

In your project, you have been sub-contracting your IT development work to four consultancy firms. Which of the following statements about transferring risk to a contractor is not true?

Choice 1 Risk transference nearly always involves payment of a risk premium.

Choice 2 Fixed price contract always transfers the risk to the seller.

Choice 3 Cost-plus contracts may transfer the cost risks to the buyer.

Choice 4 Contracts may be used for the transference of liability for specified risks to another party.

Correct Choice : 2

Justification :

A fixed-price contract may transfer risk to the seller.

Reference: *PMBOK® Guide* - Fifth Edition, page 344

PMstudy.com comments: A fixed-price contract transfers risk to the seller if requirements are well defined and seller has the capacity to handle the risk.

Question No : 62

You are half way through a 12-month contract on a high-priority project for your company. The team has been progressing well during execution of the project work. Some of the deliverables have already been approved by the buyer and they seem to be happy with the progress so far. Cumulative CPI and SPI are 1.09 and .98, respectively. Your sponsor comes by your office and you are shocked to hear from her that the buyer has decided to terminate the contract per the terminations clause and move the work to another seller. The buyer asks you to work for the new seller. Your next step is to:

Choice 1 Accept the new position and bring the project documents with you

Choice 2 Execute contract closing procedures

Choice 3 Transfer the effort to the new seller

Choice 4 Close the contract and contact the new seller to see if the buyer has already spoken to them about you coming on board

Correct Choice : 2

Justification :

The buyer has a right to terminate the contract if a termination clause is specified in the contract. Requirements for procurement closure are defined in the terms and conditions of the contract.

Options 1 & 4: These options would be considered unethical and may violate confidentiality agreements you have with your current employer.

Option 3: You should provide all deliverables and documents to the buyer, not the new seller.

Reference:PMstudy.com comments

Question No : 63

It is important to gather and analyze all relevant information to determine all project stakeholders and what their respective interests, expectations, and influences are. It is also useful to identify stakeholder relationships that might enhance the project's success. This information is documented in the:

Choice 1 Stakeholder Directory

Choice 2 Stakeholder Analysis Matrix

Choice 3 Stakeholder Register

Choice 4 Stakeholder Management Plan

Correct Choice : 3

Justification :

The Stakeholder Register is a project document which includes all the details related to the identified project stakeholders, such as identification, assessment, and classification information.

Option 1: The Stakeholder Directory may be used as another name for the Stakeholder Register, but the *PMBOK® Guide* does refer to this document as the Stakeholder Register.

Option 2: Stakeholder Analysis is used to gather and analyze information to determine the project's stakeholders and then classify them in order to identify an approach strategy. A variety of models can be used to analyze and classify stakeholders, including the Power/Interest Grid, Power/Influence Grid, Influence/Impact Grid, and Salience Model. Results from the analysis are documented in the Stakeholder Register, not the Stakeholder Analysis Matrix.

Option 4: The Stakeholder Management Plan is a subsidiary plan that defines the processes, procedures, tools, and techniques to effectively engage stakeholders throughout the project.

Reference: PMstudy.com comments

Question No : 64

You are managing a project in a foreign country, where you realize you will have to pay a fee to some government agencies to get your work done. You should:

Choice 1 Pay the fee to the government agencies

Choice 2 Refuse to pay the fee, because they are bribes and hence unethical

Choice 3 Make a case why fees should be paid to government agencies, and present it to your management

Choice 4 Offer gifts to the government officials instead of fee to get their support

Correct Choice : 1

Justification :

A project manager has the responsibility to refrain from offering or accepting inappropriate payments, gifts, or other forms of compensation for personal gain, unless it is in conformity with applicable laws or customs of the country where the project management services are provided. In this scenario, since the law of the country requires payment of fee to the government agencies, you will not be committing any breach of the Code if you pay the same.

Please note that fees are ethical but tips, bribes and kick-backs are unethical.

Reference: PMstudy.com comments

Question No : 65

Which of the following is NOT a characteristic of a project life cycle?

- Choice 1** Stakeholder influence, risk, and uncertainty are highest at the start of the project.
- Choice 2** Ability of the stakeholders to influence final characteristics of the project's product increases as the project progresses.
- Choice 3** The project life cycle determines which transitional actions at the beginning and end of the project are included, so that the project can be linked to the ongoing operations of the performing organization.
- Choice 4** Stakeholder influence, risk, and uncertainty decrease as the project progresses.

Correct Choice : 2

Justification :

Stakeholders' ability to influence the final characteristics of the project's product, without significantly impacting cost, is highest at the start of the project and decreases as the project progresses towards completion.

Reference: PMstudy.com comments

Question No : 66

Project integration management includes the processes and activities needed to identify, define, combine, unify, and coordinate the various processes and project management activities. For successful project integration management, you definitely need (select the best answer):

Choice 1 A strong matrix organizational structure in your company

Choice 2 A good communication management plan

Choice 3 Good project selection techniques

Choice 4 Positive stakeholders who support the project

Correct Choice : 2

Justification :

Option 2 is the best choice. A good communication management plan ensures good communication between the different project interfaces and team members. This is essential for project integration management.

Option 1: Strong matrix organizational structure is not essential for good project integration management. Other organization structures, including projectized, balanced matrix, etc., can also provide successful project integration management.

Option 3: Project selection techniques are used for project selection in initial stages of the project. However, they are not essential for project integration management.

Option 4: Projects may have positive and negative stakeholders, but the type of stakeholders will not affect successful project integration management.

Reference: PMstudy.com comments

Question No : 67

When you encounter constraints as a project manager, in which document will you record the information about these constraints?

Choice 1 Project scope statement

Choice 2 Risk register

Choice 3 Issue log

Choice 4 Change management plan

Correct Choice : 1

Justification :

Information on constraints may be listed in the project scope statement or in a separate log.

Reference: *PMBOK® Guide* - Fifth Edition, page 124

Question No : 68

The activity list should include descriptions of activities. This is required to:

Choice 1 Provide a common understanding of the project scope among the project stakeholders

Choice 2 Ensure that the team members understand what work is to be completed

Choice 3 Serve as a reminder to the project manager

Choice 4 Help in creation of technical documentation during the project life cycle

Correct Choice : 2

Justification :

The activity list includes the activity identifier and a scope of work description for each schedule activity in sufficient detail to ensure that project team members understand what work is required to be completed.

Reference: *PMBOK® Guide* - Fifth Edition, page 152

PMstudy.com comments: The project scope statement provides a common understanding of the project scope among the project stakeholders. (*PMBOK® Guide* - Fifth Edition, page 123)

Question No : 69

In your project, you have monitored the status of the project to update the project costs and manage changes to the cost baseline. Which of the following is an output of the Control Costs process?

Choice 1 Basis of estimates

Choice 2 Cost forecasts

Choice 3 Cost change control system

Choice 4 Work performance data

Correct Choice : 2

Justification :

Control Costs is the process of monitoring the status of the project to update the project costs and managing changes to the cost baseline. `Cost forecasts` is one of the outputs obtained from this process.

Reference: *PMBOK® Guide* - Fifth Edition, page 215 (figure 7-10)

Question No : 70

The customer was not satisfied with the finished product's quality. The cost of poor quality can also be referred to as:

Choice 1 Cost of conformance

Choice 2 Failure cost

Choice 3 Rework cost

Choice 4 Opportunity cost

Correct Choice : 2

Justification :

Failure costs are often categorized into internal (found by the project) and external (found by the customer). Failure costs are also called cost of poor quality.

Reference: *PMBOK® Guide* - Fifth Edition, page 235

Question No : 71

In your project, you would like to document team member roles and responsibilities. You have documented project roles as responsible, accountable, consult and inform. A good way to depict the information is through:

Choice 1 RBS (resource breakdown structure)

Choice 2 RAM (responsibility assignment matrix)

Choice 3 Text-oriented format

Choice 4 WBS (work breakdown structure)

Correct Choice : 2

Justification :

A responsibility assignment matrix (RAM) is used to illustrate the connections between work packages or activities and project team members. One example of a RAM is a RACI (responsible, accountable, consult, and inform) chart.

Reference: *PMBOK® Guide* - Fifth Edition, page 262

Question No : 72

You are interviewing candidates for the position of project manager in the company. What is the most important characteristic you would like to see in a project manager?

Choice 1 Technical knowledge of the business

Choice 2 Negotiation and convincing skill

Choice 3 Communication skill

Choice 4 Industry experience

Correct Choice : 3

Justification :

Communication skills are the most important trait in a project manager.

Importance of Communications Management

- Project managers spend more than 90% of their time communicating with team members and other project stakeholders — internal (at all organizational levels) or external to the organization.
- The project manager should effectively and efficiently communicate with stakeholders.
- Managing communications is very vital for any project.
- Although the project manager should pay a lot of attention to managing communications, he cannot control all the communications, because there are just too many channels. The formula used to calculate the total number of communications channels is $n \times \{(n-1)/2\}$, where n refers to the number of stakeholders.
- The project manager uses a variety of communication methods to share information among stakeholders. He or she should decide what, how, and when to use each communication method.
- A failure in communication can have a negative impact on the project.

Reference: PMstudy.com study notes

PMstudy.com comments: Communication is the most important skill required for a project manager, and the success of a project very much depends on this skill. Project managers spend more than 90% of their time communicating with team members and other project stakeholders — internal (at all organizational levels) or external to the organization.

Question No : 73

Your project is now in the executing stage. You are continuously monitoring and controlling risks to minimize negative risks and to take timely action. Risk audits are helpful in this context because they:

Choice 1 Examine and document the effectiveness of risk responses.

Choice 2 Help in reassessment of risks.

Choice 3 Provide trends in the execution of the project, which can be reviewed using performance data.

Choice 4 Provide inputs required for the project planning stage.

Correct Choice : 1

Justification :

Risk audits examine and document the effectiveness of risk responses in dealing with identified risks and their root causes, as well as the effectiveness of the risk management process.

Reference: *PMBOK® Guide* - Fifth Edition, page 351

Question No : 74

You are considering whether to buy or lease a machine for your heavy engineering plant. Your finance department has provided you the following data:

The cost of buying the machine (`If you buy`) is \$29,000 and the one-time cost of procurement and integration is \$1000. The cost of leasing the machine (`If you lease`) involves \$10,000 as down payment and \$5,000 per month as license fee.

What is the breakeven duration after which the buying of the machine is preferable to leasing it?

Choice 1 3 months

Choice 2 4 months

Choice 3 5 months

Choice 4 Cannot be determined from the available data

Correct Choice : 2

Justification :

If you buy, the cost is $\$29,000 + \$1,000 = \$30,000$ Assuming that the lease is for M months, the cost is $\$10,000 + (\$5,000 \times M)$

The breakeven point is reached when the cost of buying becomes equal to the cost of leasing, i.e., $\$30,000 = \$10,000 + (\$5,000 \times M)$

$$M = 20,000/5,000 = 4 \text{ months}$$

Reference: PMstudy.com study notes

Question No : 75

You are the project manager working on a project to develop a new 4-color erasable pen. The customer, PMstudy.com, is very excited to offer this innovative pen to participants in their PMP prep boot camp class, as it will allow them to erase mistakes made when creating their detailed process chart. PMstudy also wants to use the pen to help promote their other brands like MyITstudy.com and SCRUMstudy.com, so they have asked for their affiliate logos to appear on the pen.

They also want the product development to be rushed as they are running low on current inventory and want their next order to consist of the new pen. Since the product is a new concept and the customer is an important one, you decide to create a prototype of the pen during the design phase.

After reviewing the prototype, PMstudy's CEO advises that he is not happy with the design and the size of the logos. The Quality and Marketing Directors and other PMstudy stakeholders are happy with the prototype and feel that all their requirements were met. What could be the most likely cause of this situation?

Choice 1 The CEO changed his requirements after seeing the prototype.

Choice 2 The team rushed through collecting the requirements and developing the prototype, since the timeline was tight, so they missed some key requirements.

Choice 3 The CEO was not identified as a key project stakeholder.

Choice 4 All of the requirements approved for the prototype were not implemented.

Correct Choice : 3

Justification :

It is important that all relevant stakeholders are identified during the Identify Stakeholders process. If key stakeholders, such as the company's CEO in this case are missed, it is likely that change requests will need to be processed later in the project to accommodate requirements that were not captured during the Collect Requirements process. In this case, it was a good idea for the project manager to create a prototype of the product to mitigate the risk that the customer might not be happy with the end product. This allowed the CEO the opportunity to see and comment on the product and have his requirements addressed before the project and product delivery was complete.

Reference: PMstudy.com comments

Question No : 76

As a PMI Certified project manager, you are expected to comply with all organizational rules and policies. In this context, you are expected to:

- Choice 1** Provide accurate and truthful representations concerning all information directly or indirectly related to all aspects of the PMI Certification Program
- Choice 2** Report to PMI all possible violations of the PMI Code of Ethics and Professional Conduct by individuals in their work area
- Choice 3** Escalate to PMI all possible ethics violations
- Choice 4** Disclose to PMI any significant circumstance that could be construed as a conflict of interest or an appearance of impropriety

Correct Choice : 1

Justification :

Responsibility towards PMI

- Provide accurate and truthful representation concerning all information, directly or indirectly related to all aspects of the PMI Certification Program, including but not limited to the following:
 - o Examination applications
 - o Test item banks
 - o Examinations
 - o Answer sheets
 - o Candidate information

o PMI Continuing Certification Requirements Program reporting forms

- Maintain and respect the confidentiality of the contents of the PMI credential exams.
- Uphold policies, rules, regulations and laws that govern our work, professional and volunteer activities.
- Report possible violations, only if we can substantiate them by facts, of the PMI Code of Ethics and Professional Conduct by individuals in the field of project management.
- Bring ethics violations to the attention of the appropriate body of resolution, along with the details of related information.
- Apply the organization's (employer, Project Management Institute, or other group) rules without favoritism or prejudice.

Reference: PMI Code of Ethics and Professional Conduct

PMstudy.com comments: Please note that all other options are extreme measures concerning reporting of all possible violations or situations to PMI leading to conflict of interest. Usually, instead of reporting to PMI, these should be taken up within the performing organization.

Question No : 77

You are working as a portfolio manager. Which of the following are you responsible for managing?

Choice 1 Project interdependencies

Choice 2 Projects and programs

Choice 3 Projects, programs, and operations

Choice 4 Functional work and operations

Correct Choice : 3

Justification :

A portfolio refers to projects, programs, sub-portfolios, and operations managed as a group to achieve strategic objectives.

Reference: *PMBOK® Guide* - Fifth Edition, pages 8 (table 1-1) and 9

PMstudy.com comments: Portfolio management includes projects, programs, subportfolios, and related work (i.e. functional or operational work); so, this is the best answer.

Question No : 78

Over the project duration, which document (or collection of documents) must a project manager update?

Choice 1 Project charter

Choice 2 Change control document

Choice 3 Project scope statement

Choice 4 Project management plan

Correct Choice : 4

Justification :

The project management plan is developed through a series of integrated processes extending through project closure... through the Perform Integrated Change Control process.

Reference: *PMBOK® Guide* - Fifth Edition, page 74

PMstudy.com comments: Please note that other documents (e.g. Project scope statement) are not living documents and can only be updated through Perform Integrated Change Control process.

Question No : 79

As a project manager, you are responsible for managing changes to the project scope. If, at the end of the project, a customer wants a major change in the scope of work, you should:

Choice 1 Reject the change

Choice 2 Make the required change

Choice 3 Escalate the matter to senior management

Choice 4 Let the customer know about the impact of the change

Correct Choice : 4

Justification :

If there is a major change to the project, the project manager should try to influence the change to minimize the impact on the project. Usually the project manager is advised to do the following:

1. Evaluate the impact of the change within the team.
2. Help the customer (or person requesting the change) understand the impact of the change.
3. If changes are in fact required, then open a change control and get the request approved. Obviously, you will have to inform the management and the change control board about the impact of the changes.
4. If the change control board approves changes, then make appropriate changes in the project plan.

Reference: PMstudy.com study notes

Question No : 80

You are in the test phase of your software project, and the project sponsor has requested a definitive estimate of when your project will be completed. The most likely estimated duration is 30 days. Which of the following duration estimations will you give to your sponsor?

Choice 1 29 - 31 days

Choice 2 24 - 36 days

Choice 3 20 - 40 days

Choice 4 15 - 45 days

Correct Choice : 1

Justification :

The different types of estimates are:

Definitive: - 5% to +10% accuracy

Budgetary: -10% to +25% accuracy

Order of magnitude: - 25% to +75% accuracy

So, if -5% to +10% variation is allowable, only 29 - 31 days fits that criterion.

Reference: PMstudy.com comments

Question No : 81

As a project manager, you have selected Project A that has an initial budget of \$1,000 out of which \$800 has already been spent. To complete this project, you need an additional \$500. Project B will require \$1,200 only for completion. Which project would you prefer to manage and what will be its ETC?

Choice 1 Project A, ETC of \$800

Choice 2 Project A, ETC of \$1,000

Choice 3 Project A, ETC of \$500

Choice 4 Project B, ETC of \$1,200

Correct Choice : 3

Justification :

Since \$800 is the sunk cost, we ignore it for calculating ETC of Project A, which means that ETC (Estimate to Complete) for Project A will be \$500, whereas ETC for Project B is higher at \$1,200. So, it is beneficial to select Project A.

Reference: PMstudy.com comments

Question No : 82

You are monitoring and recording results of assessing performance and recommending necessary changes. What do you get from this exercise?

Choice 1 Quality control measurements

Choice 2 Quality management plan

Choice 3 Quality metrics

Choice 4 Quality checklists

Correct Choice : 1

Justification :

You are in the Control Quality process. Quality management plan, Quality metrics and Quality checklists are outputs from Plan Quality Management process.

Reference: *PMBOK® Guide* - Fifth Edition, pages 232 (figure 8-3) and 249 (figure 8-11)

Question No : 83

You are a project manager in a pharmaceutical company and manage a team of 50 resources in a virtual project team across multiple time zones. There were concerns that team members would not be able to work well in this virtual team structure. However, you are mid-way into the project and team members have successfully figured out efficient ways to work together effectively. The team is in which stage of group development?

Choice 1 Performing

Choice 2 Forming

Choice 3 Smoothing

Choice 4 Norming

Correct Choice : 1

Justification :

Tuckman described five stages of team development. Teams usually go through the stages in order, but it is possible for teams to skip a stage or get stuck in, or revert to a previous stage.

1. **Forming** – Team meets, learns their roles and responsibilities and agree on goals; individuality is at its highest during this phase
2. **Storming** – Team starts working on the project; competition may result from different individual ideas; “I am right” mentality
3. **Norming** – Team members adjust their behavior to work as a team; learn to trust each other; “We can work together” mentality
4. **Performing** – Teams are able to function as an organized and interdependent unit as they find ways to get the job done smoothly and effectively
5. **Adjourning** – Completing the task and moving on from the project as staff are released during project or phase closure

Reference: Tuckman, Bruce (1965). Developmental sequence in small groups. Psychological Bulletin 63 (6): 384–99.

Question No : 84

You are the project manager in a pharmaceutical company. You are constantly involved in managing stakeholders' expectations to satisfy their needs and resolve issues. In this context, which of the following is NOT a relevant output?

Choice 1 Organization process assets updates

Choice 2 Change requests

Choice 3 Project management plan updates

Choice 4 Communications requirements analysis

Correct Choice : 4

Justification :

Communication requirements analysis is a tool for the Plan Communications Management process.

Reference: *PMBOK® Guide* - Fifth Edition, page 289 (figure 10–2)

Question No : 85

You had budgeted \$200,000 in your project as contingency reserve. Now, when you are 75% through in project execution, you notice that the funds in your contingency reserves are down to \$20,000. To compare the amount of contingency reserves remaining in your project to the amount of risk remaining, you should conduct a:

Choice 1 Variance analysis

Choice 2 Trend analysis

Choice 3 Risk assessment

Choice 4 Reserve analysis

Correct Choice : 4

Justification :

Reserve analysis compares the amount of the contingency reserves remaining to the amount of risk remaining at any time in the project in order to determine if the remaining reserve is adequate.

Reference: *PMBOK® Guide* - Fifth Edition, page 352

Question No : 86

In a fixed price contract, the buyer decides to increase the scope of work to make the product better. In this case, which of the following can the buyer NOT do?

Choice 1 Issue a contract change request

Choice 2 Start another fixed price contract to do the additional work

Choice 3 Start another cost reimbursable contract to do the additional work

Choice 4 Cancel the existing contract and start a new contract

Correct Choice : 4

Justification :

Cancellation of the contract has to be done by both the seller and the buyer (i.e., the buyer cannot unilaterally cancel the contract).

Reference: PMstudy.com study notes

Question No : 87

Given the current and desired engagement levels of stakeholders in the following Stakeholder Engagement Assessment Matrix, which would be the most important gap to be addressed by the project manager as soon as possible?

<i>Stakeholder</i>	<i>Unaware</i>	<i>Resistant</i>	<i>Neutral</i>	<i>Supportive</i>	<i>Leading</i>
<i>Sponsor</i>		<i>C</i>			<i>D</i>
<i>CEO</i>			<i>C</i>	<i>D</i>	
<i>Team Member</i>				<i>C/D</i>	

C = Current Engagement Level; D = Desired Engagement Level

Choice 1 CEO

Choice 2 Team member

Choice 3 CEO and Sponsor

Choice 4 Sponsor

Correct Choice : 4

Justification :

The sponsor is a critical stakeholder on a project since he/she provides resources and support for a project, and is accountable for enabling and promoting the project's success. If the sponsor is currently "resistant", it would be important to find out and address the reasons why, and then try to get him/her to at least be "supportive", if not "leading" to ensure the project's success.

Options 1 and 3: The CEO is currently "neutral" so is neither supportive nor resistant. He/she does not play a leading role in the project like the sponsor so this would not be an immediate concern as the current gap between current and desired for the sponsor.

Option 2: The team member is exactly where he/she should be as current and desired levels are the same.

Reference: PMstudy.com comments

Question No : 88

One of your team members was late for a critical bidder conference which caused a lot of confusion. In this context,

Choice 1 You should talk with the team member to understand why he was late and discuss how to prevent similar situations in future

Choice 2 You should raise this issue with your manager and ask for ways to avoid similar problems in future

Choice 3 You should raise this issue with the team member's manager and ensure that he makes himself available for future meetings

Choice 4 You should raise a risk memo highlighting the problems caused because of his non-availability

Correct Choice : 1

Justification :

Option 1 solves the problem in a realistic manner. The team member may have been late to the meeting due to legitimate reasons. So, you should definitely talk to him and understand his situation. Moreover, you should have a contingency plan whereby if a team member is not available, critical meetings are not exposed to risk.

Reference: PMstudy.com comments

Question No : 89

Your company CEO wants to set up a Project Management Office (PMO) in the company. You have been assigned the responsibility to define the scope of work for the PMO. In this context, which of the following is NOT the function of a PMO?

Choice 1 Help manage shared resources

Choice 2 Bring order and organize communications across projects

Choice 3 Provide support functions like training and mentoring

Choice 4 Define specific strategic objectives

Correct Choice : 4

Justification :

The primary function of a PMO is to support project managers in a variety of ways, which may include, but are not limited to: managing shared resources across all projects administered by the PMO....coordinating communication across projects.

Portfolio Management refers to the centralized management of one or more portfolios to achieve strategic objectives.

Reference: *PMBOK® Guide* - Fifth Edition, page 11

PMstudy.com comments: Option 4 refers to an activity that would be a part of Portfolio Management.

Question No : 90

In the agreement document of the project, the time schedules and deliverables in each phase are clearly stipulated. From a project management perspective, this is:

Choice 1 Risk

Choice 2 Assumption

Choice 3 Constraint

Choice 4 Issue

Correct Choice : 3

Justification :

When a project is performed under an agreement, contractual provisions will generally be constraints.

Reference: *PMBOK® Guide* - Fifth Edition, page 124

Question No : 91

After completing the Define Scope process, the management has asked you to coordinate the activities related to work breakdown structures (WBS) in your project. When using decomposition as a tool, what should you do FIRST?

Choice 1 Identify the deliverables and related work.

Choice 2 Determine the constituent components of the WBS.

Choice 3 Assign responsibility for each task in the WBS.

Choice 4 Create the cost and time estimates for each activity in the project.

Correct Choice : 1

Justification :

Create WBS process follows the Define Scope process. In Create WBS, decomposition of the total project work into work packages generally involves... identifying and analyzing the deliverables and related work.

Reference: *PMBOK® Guide* - Fifth Edition, pages 106 (figure 5-1) and 128

Question No : 92

In any project there are deliverables that need to be produced. These deliverables are produced during the executing phase as the team carries out their assigned activities. During the planning phase, you wish to identify and document the specific actions to be performed to produce the deliverables. This is done as part of:

Choice 1 Define Activities

Choice 2 Decomposition

Choice 3 Define Scope

Choice 4 Sequence Activities

Correct Choice : 1

Justification :

Define Activities is the process of identifying and documenting the specific actions to be performed to produce the project deliverables.

Reference: *PMBOK® Guide* - Fifth Edition, page 149

Question No : 93

While doing monitoring and controlling for your project, you notice that the cost variance is negative, but schedule variance is positive. This indicates:

- Choice 1** Cost and schedule are not dependent on each other
- Choice 2** Project is under budget and behind schedule
- Choice 3** Project is over budget and ahead of schedule
- Choice 4** Crashing may be recommended to make the cost variance positive

Correct Choice : 3

Justification :

Positive schedule variance means the project is ahead of schedule; negative cost variance means the project is over-budget.

Also, please note that crashing will increase costs and have an adverse impact on the cost variance.

Reference: PMstudy.com comments

Question No : 94

Just-in-time (JIT) manufacturing techniques are used by Japanese auto-companies to improve overall quality and decrease operational costs. In this context, which of the following statements related to JIT are correct?

- A. It emphasizes waste reduction.
- B. It eliminates costs related to material handling, storage, paperwork, and inspection.
- C. It emphasizes short term relationships with suppliers.
- D. It reduces inventory to minimal level.

Choice 1 B, C and D

Choice 2 A, C and D

Choice 3 A, B and D

Choice 4 A, B and C

Correct Choice : 3

Justification :

Just-in-time manufacturing is a process that continuously stresses waste reduction by optimizing the processes and procedures necessary to maintain a manufacturing operation. Part of this process is JIT purchasing or inventory where the materials needed appear just in time for use, thus eliminating costs associated with material handling, storage, paperwork, and even inspection.

Reference: Project Management - A Systems Approach to Planning, Scheduling and Controlling, page 917

Question No : 95

You are the project sponsor for a reputed company, and you work with the project management team in certain matters concerned with the project. Which of the following is an area where you would NOT assist?

Choice 1 Project funding

Choice 2 Creating activity list

Choice 3 Clarifying scope

Choice 4 Monitoring progress

Correct Choice : 2

Justification :

The project sponsor works with the project management team, typically assisting with matters such as project funding, clarifying scope, monitoring progress, and influencing stakeholders in both the requesting and performing organization for the project benefit.

Reference: *PMBOK® Guide* - Fifth Edition, page 256

PMstudy.com comments: Project sponsor is not involved in detailed tasks like creating activity list which should be done by project team.

Question No : 96

In your project, you have conducted a communication requirements analysis to determine the total number of possible communication channels in the project. While conducting the analysis, you learn that the number of communication channels:

- Choice 1** Increases in direct proportion to the number of people
- Choice 2** Decreases in inverse proportion to the number of people
- Choice 3** Increases in exponential proportion when the number of people increases
- Choice 4** Depends on the type of project

Correct Choice : 3

Justification :

The number of communication channels increases exponentially as the number of people increases.

Importance of Communications Management

- Project managers spend more than 90% of their time communicating with team members and other project stakeholders — internal (at all organizational levels) or external to the organization.
- The project manager should effectively and efficiently communicate with stakeholders.
- Managing communications is very vital for any project.
- Although the project manager should pay a lot of attention to managing communications, he cannot control all the communications, because there are just too many channels. The formula used to calculate the total number of communications channels is $N(N-1)/2$, where N refers to the number of stakeholders.
- The project manager uses a variety of communication methods to share information among stakeholders. He or she should decide what, how, and when to use each communication method.
- A failure in communication can have a negative impact on the project.

Question No : 97

Since you know the importance of risk management, you always include it as an agenda item in your weekly status meetings and spend ten minutes discussing the risks. Some of your project team members complain that since none of the risks are actually happening, discussing risk management issues in status meetings is a waste of time. What should you do?

- Choice 1** Talk to your team members about the importance of risk management and why the project team needs to be aware of all risks at all points of time.
- Choice 2** Agree with your team members and mention to them that henceforth, no more time would be spent on discussing risks in the project status meetings unless required in the future.
- Choice 3** Call a meeting with your project sponsor and project management team to discuss potential training requirements for your project team members so that they can appreciate the benefits of risk management.
- Choice 4** Escalate to your management that some of your team members do not agree with your risk management practices.

Correct Choice : 2

Justification :

Project Risk Management should be an agenda item at periodic status meetings. The amount of time required for that item will vary, depending upon the risks that have been identified, their priority, and difficulty of response.

Reference: *PMBOK® Guide - Fifth Edition*, page 352

PMstudy.com comments: There is no need to spend a fixed amount of time in all the status meetings to discuss risk management issues.

Option 1: This states that the team should be aware of `all` risks at `all` times. This may not be possible because some risks are not identified or may be prioritized lower (hence, place them in a watchlist).

Option 3: This assumes that the team does not know about importance of risk management which is not accurate.

Option 4: This talks about escalating a project issue to senior management, which is not advisable in this context.

Question No : 98

You are a project manager and you wish to distribute important Source selection criteria that have accumulated since the beginning of the project to all the vendors. In this context, which of the following are possible criteria?

- A. Understanding of need
- B. Proprietary rights
- C. References
- D. Technical capability

Choice 1 B, C and D

Choice 2 All of the Above

Choice 3 A, B and D

Choice 4 None of the Above

Correct Choice : 2

Justification :

Reference: *PMBOK® Guide* - Fifth Edition, page 369

Question No : 99

Managing stakeholders allows the project manager to increase support and decrease resistance from stakeholders with the ultimate goal of project success. Which of the following are outputs of the Manage Stakeholder Engagement process?

Choice 1 Issue log, Change requests, Work performance information

Choice 2 Change requests, Stakeholder assessment matrix, Project documents updates

Choice 3 Issue log, Change requests, Project documents updates

Choice 4 Change requests, Organizational process assets updates, Team performance issues

Correct Choice : 3

Justification :

Outputs of the Manage Stakeholder Engagement process are: Issue log, Change requests, Project management plan updates, Project documents updates, and Organizational process assets updates.

Reference: *PMBOK® Guide* Fifth Edition, page 392 (figure 13-1)

Question No : 100

Which of the following is not the responsibility of a PMP certificant?

Choice 1 Maintaining the confidentiality of sensitive information that you have access to

Choice 2 Managing situations wherein conflicts of interest arise

Choice 3 Ensuring the integrity of your team members

Choice 4 Refraining from offering and accepting inappropriate payments and gifts

Correct Choice : 3

Justification :

Although the project manager is responsible for ensuring the integrity of the project, she cannot be responsible for the integrity of her team members. However, she should definitely try to influence her team members to perform all project activities in an ethical manner and with integrity.

All the remaining options are part of the PMI Code of Ethics and Professional Conduct

Reference: PMstudy.com comments

Question No : 101

You are one of the ten full-time project managers in your organization. All of you share two administrative resources. Normally, around 30 - 40 projects are executed per year involving about 30% of the employees of the organization. However, all of them do not report to you, although you are their project manager. Your organization can best be classified as:

Choice 1 Projectized

Choice 2 Balanced Matrix

Choice 3 Strong Matrix

Choice 4 Weak Matrix

Correct Choice : 2

Justification :

Refer to *PMBOK® Guide* - Fifth Edition, page 22 (table 2-1) and page 24 (figure 2-3).

Reference: *PMBOK® Guide* - Fifth Edition, pages 22 (table 2-1) and 24 (figure 2-3)

PMstudy.com comments: While the balanced matrix organization recognizes the need for a project manager, it does not provide her with the full authority over the project, human resources, and funds.

Option 1 (Projectized Organization) is incorrect because resources in a projectized organization are not shared with the functional manager. Option 3 (Strong Matrix) is incorrect because only 30% of the employees work on projects and the remaining work in functional activities. Option 4 (Weak Matrix) is incorrect because full-time project managers do not exist in Weak Matrix, which have project coordinators and/or expeditors.

Question No : 102

The aggregation of the processes, tools, techniques, methodologies, resources, and procedures to manage a project is referred to as:

Choice 1 Project management system

Choice 2 Change control system

Choice 3 Organizational process assets

Choice 4 Project management information system

Correct Choice : 1

Justification :

Project Management System: The aggregation of the processes, tools, techniques, methodologies, resources, and procedures to manage a project.

Reference: *PMBOK® Guide* - Fifth Edition, page 555

Question No : 103

In your project, while decomposing the project work into more manageable components, you are aware of the problem of excessive decomposition. Which of the following is NOT the consequence of excessive decomposition?

- Choice 1** Non-productive management effort
- Choice 2** Inefficient use of resources
- Choice 3** Decreased efficiency in work performance
- Choice 4** Better knowledge of activity sequences

Correct Choice : 4

Justification :

Excessive decomposition can lead to non-productive management effort, inefficient use of resources, decreased efficiency in performing the work, and difficulty aggregating data over different levels of the WBS.

Reference: *PMBOK® Guide* - Fifth Edition, page 131

PMstudy.com comments: WBS decomposition does not provide any knowledge of activity sequencing.

Question No : 104

Critical path method is an important tool for Develop Schedule. In this context, which of the following statements related to critical path method is NOT correct?

Choice 1 Total float can affect the calculated early start and finish dates

Choice 2 The flexibility of schedule is facilitated by activity total float

Choice 3 Networks can have only one critical path

Choice 4 Networks may have multiple near critical paths

Correct Choice : 3

Justification :

Schedule networks may have multiple near-critical paths.

Reference: *PMBOK® Guide* - Fifth Edition, page 177

PMstudy.com comments: Networks can have multiple critical and near critical paths.

Question No : 105

There are three projects:

Project A has a payback period of 3 years and NPV of \$300,000

Project B has a payback period of 2 years and NPV of \$200,000

Project C has a payback period of 1 year and NPV of \$100,000

Which project should be selected if NPV criterion is used?

Choice 1 Project A

Choice 2 Project B

Choice 3 Project C

Choice 4 Project A, B, or C can be selected, because all of them have equal value

Correct Choice : 1

Justification :

Project A has highest NPV of \$300,000, hence it is selected. Please note that the time value of money is already taken into account in the NPV calculation.

Net Present Value (NPV) = (Present value of all cash inflows) - (Present value of all cash outflows)

Project Selection Criterion: Select the project with the maximum Net Present Value. The time value of money is already taken into account while calculating NPV.

Example: There are two projects. Project A has a NPV of \$1,000 and will be completed in 5 years. Project B has a NPV of \$800 and will be completed in 1 year. Which project will you select?

Answer: Project A will be selected. The fact that project B has a smaller duration than project A does not matter because time is already taken into account in NPV calculations.

Present Value (PV) is the Future Value (FV) of a payment discounted at a discount rate (r) for the delay in payment.

Question No : 106

After performing quality control using checklists, the completed checklists should become part of the:

Choice 1 Organizational process assets

Choice 2 Project document updates

Choice 3 Project management plan updates

Choice 4 Lessons learned documentation

Correct Choice : 1

Justification :

When checklists are used, the completed checklists become part of the organizational process assets.

Reference: *PMBOK® Guide* - Fifth Edition, page 254

Question No : 107

Which of the following organization charts has a hierarchical format?

Choice 1 RACI chart

Choice 2 Organizational breakdown structure

Choice 3 Work breakdown structure

Choice 4 Text-oriented formats

Correct Choice : 2

Justification :

The organizational breakdown structure (OBS) is arranged according to an organization`s existing departments, units, or teams with the project activities or work packages listed under each department.

Reference: *PMBOK® Guide* - Fifth Edition, page 261

PMstudy.com comments: RACI chart is a matrix-based chart and work breakdown structure is not a type of organization chart.

Question No : 108

If a discrepancy related to the scope of the project has crept into a contract, what type of communication should you use to inform the relevant stakeholders?

Choice 1 Informal oral

Choice 2 Formal oral

Choice 3 Informal written

Choice 4 Formal written

Correct Choice : 4

Justification :

For contracts (which are legal documents), the preferred mode of communication is always "formal written".

Various Forms of Communication and their Characteristics

Form of Communication	Characteristics	Examples
Written Formal	<ul style="list-style-type: none">• Precise• Transmitted through the medium of correspondence	<ul style="list-style-type: none">• Project charter, scope statement, project plan, WBS, project status• Complex issues• Contract related communications• Memos
Written Informal		<ul style="list-style-type: none">• Email, notes, letters, etc.• Regular communication with team members
Oral Formal	<ul style="list-style-type: none">• High degree of flexibility• Use the medium of personal	<ul style="list-style-type: none">• Presentations, speeches,• Negotiations

Oral Informal	contact, group meetings, or telephone	<ul style="list-style-type: none"> • Conversation with team members • Project meetings • Break-room or war-room conversations
Non-verbal Communication	<ul style="list-style-type: none"> • About 55% of total communication 	<ul style="list-style-type: none"> • Facial expressions, hand movements, tone of voice while speaking, etc.

Reference:

- Project Management - A Systems Approach To Planning, Scheduling and Controlling, Ninth Edition, page 273
- PMstudy.com study notes

Question No : 109

You are in the Identify Risks process of your project where you determine which risks may affect the project and document their characteristics. Who would you want to be a part of the Identify Risks process?

Choice 1 The project manager, project team members, subject matter experts, and customers

Choice 2 The risk management team, end users, and risk management experts

Choice 3 All relevant stakeholders

Choice 4 Positively impacted stakeholders

Correct Choice : 3

Justification :

Participants in risk identification activities may include the following: project manager, project team members, risk management team (if assigned), customers, subject matter experts from outside the project team, end users, other project managers, stakeholders, and risk management experts. While these personnel are often key participants for risk identification, all project personnel should be encouraged to identify potential risks.

Reference: *PMBOK® Guide* - Fifth Edition, page 321

Question No : 110

In your project, you would like to create a document that describes the procurement item in sufficient detail so that sellers can determine if they can provide the item. This document is referred to as:

Choice 1 Procurement audit

Choice 2 Contract file

Choice 3 Procurement documents

Choice 4 Procurement statements of work

Correct Choice : 4

Justification :

The procurement statements of work describes the procurement item in sufficient detail to allow prospective sellers to determine if they are capable of providing the products, services, or results

Reference: *PMBOK® Guide* - Fifth Edition, page 367

Question No : 111

Which project document is used for documenting and monitoring elements under discussion or in dispute between project stakeholders?

Choice 1 Dispute log

Choice 2 Issue log

Choice 3 Change log

Choice 4 Problem log

Correct Choice : 2

Justification :

Issue log: A project document used to document and monitor elements under discussion or in dispute between project stakeholders.

Reference: *PMBOK® Guide* - Fifth Edition, page 544

Question No : 112

As a project manager, achieving customer satisfaction is an important objective for you. Which of the following will help you in attaining your objective?

Choice 1 Defining requirements

Choice 2 Providing more features than what the customer has asked for

Choice 3 Identifying project related risks

Choice 4 Providing project justification

Correct Choice : 1

Justification :

Option 1 is the best answer. Defining requirements will help the customer be clear on the functionalities she is going to find in the final product. For the project team, defining requirements is very critical, because it will help in scope definition and scope verification.

Option 2: Providing more features than what the customer has asked for is "gold plating" which is not approved by PMI.

Option 3: Identifying project related risks definitely has to be done by the project team and some high probability and high impact risks should be communicated to the customers. But defining requirements results in a higher degree of customer satisfaction than identification of risks.

Option 4: Providing project justification is a part of the project charter and is more relevant for the business to evaluate future trade-offs.

Reference: PMstudy.com comments

Question No : 113

You are responsible for the development and launch of a NASA satellite. Your role is that of a:

Choice 1 Project Manager

Choice 2 Project Coordinator

Choice 3 Program Manager

Choice 4 Functional Manager

Correct Choice : 3

Justification :

A program is defined as a group of related projects, subprograms, and program activities managed in a coordinated way to obtain benefits not available from managing them individually.

Reference: *PMBOK® Guide* - Fifth Edition, page 9

PMstudy.com comments: Developing and launching a NASA satellite will involve two projects and hence, it is a program.

Question No : 114

A change in your project schedule has resulted in increased cost and risk. It has also impacted your resource plan. To coordinate changes across the entire project, you will need to rely on which of the following:

Choice 1 Change control system

Choice 2 Perform Integrated Change Control

Choice 3 Change requests

Choice 4 Changes to project plan baselines

Correct Choice : 2

Justification :

When required, the Perform Integrated Change Control process includes a Change Control Board (CCB)... unless they are part of the CCB.

Reference: *PMBOK® Guide* - Fifth Edition, page 96

PMstudy.com comments: The Perform Integrated Change Control process integrates all the individual change control processes and determines the impact of changes across the entire project.

Question No : 115

In your project, while doing scope verification of the product, the customer points out that a particular work component performed by a team member is not as per specification. You review the project WBS and confirm that the customer is correct. What would be your NEXT step?

Choice 1 Put the particular requirement through the change control process

Choice 2 Call a meeting of your project team to discuss this requirement

Choice 3 Escalate the issue to your project sponsor

Choice 4 Review the requirement and talk with the team member who implemented the requirement

Correct Choice : 4

Justification :

The best option is to first review the requirement, contained in the project WBS, with the particular team member who has implemented the requirement. Either the team member has not done the work properly or there might have been lack of clarity in defining the requirement in the WBS.

Option 1: This should be done only after the requirement has been evaluated with the team member.

Option 2: There is no need to call a meeting of all team members. Discuss the matter with the team member who has actually implemented the requirement.

Option 3: It is premature to escalate the issue to the project sponsor. First, you should evaluate why it went wrong.

Reference: PMstudy.com comments

Question No : 116

In your project, you monitor the status of the project to update the project progress. which of the following techniques would you use?

- A. Reserve analysis
- B. Project management software
- C. Resource optimization techniques
- D. Performance reviews

Choice 1 B, C and D

Choice 2 A, C and D

Choice 3 A, B and D

Choice 4 A, B and C

Correct Choice : 1

Justification :

Control Schedule is the process to monitor the status of the project to update project progress and manage changes to the schedule baseline.

The tools and techniques used in *Control Schedule* process are performance reviews, project management software, resource optimization techniques, Modeling techniques, Leads and lags, schedule compression, and scheduling tool.

Reserve analysis is one of the techniques used in *Estimate Activity Durations* process and not in *Control Schedule* process.

Reference: PMBOK® Guide - Fifth Edition, pages 143 (figure 6-1) and 185

Question No : 117

In your project, you will use a code of accounts to:

Choice 1 Identify potential risks

Choice 2 Identify each component of the WBS

Choice 3 Facilitate activity duration estimates

Choice 4 Update project files

Correct Choice : 2

Justification :

Code of Accounts: Any numbering system used to uniquely identify each component of the work breakdown structure.

Reference: *PMBOK® Guide* - Fifth Edition, page 531

Question No : 118

In a normal distribution, standard deviation refers to:

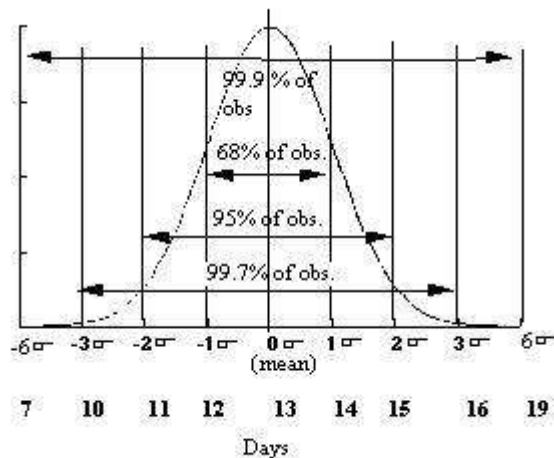
- Choice 1** Distance of measurement from the mean
- Choice 2** Distance of measurement from the most likely value
- Choice 3** Distance of measurement from the middle most value
- Choice 4** A tool that is used in qualitative risk analysis

Correct Choice : 1

Justification :

Standard deviation is a distance of measurement from the mean or, the square root of the average of the squares of deviations (about) the mean of a set of data. Standard deviation is a statistical measure of spread or variability.

A standard normal distribution, which shows standard deviation (sigma) as distance of the measurement from the mean value:



Question No : 119

You are the blue-eyed boy of your vice chairman who appreciates the way in which you work in projects. She also consults you during performance appraisals. This helps you in managing interpersonal relationships with your team members, because you have the following power:

Choice 1 Legitimate

Choice 2 Expert

Choice 3 Penalty

Choice 4 Referent

Correct Choice : 3

Justification :

The five interpersonal influences are:

- **Legitimate Power:** The ability to gain support because project personnel perceive the project manager as being officially empowered to issue orders.
- **Reward Power:** The ability to gain support, because project personnel perceive the project manager as capable of directly or indirectly dispensing valued organizational rewards such as salary, promotion, bonus, and future work assignments.
- **Penalty Power:** The ability to gain support, because the project personnel perceive the project manager as capable of directly or indirectly dispensing penalties that they wish to avoid. Penalty power usually derives from the same source as reward power, with one being a necessary condition for the other.
- **Expert Power:** The ability to gain support, because personnel perceive the project manager as possessing special knowledge or expertise.
- **Referent Power:** The ability to gain support, because project personnel feel personally attracted to the project manager or project.

Reference: Project Management - A Systems Approach to Planning, Scheduling and Controlling, pages 206 and 207

PMstudy.com comments:- Since you are involved with performance appraisals you have `Penalty Power` and `Reward Power`.

Question No : 120

As a project manager, you are in the process of creating, collecting, distributing, storing, retrieving, and the ultimate disposition of project information in accordance with the communications management plan. Which of the following tools should you use?

Choice 1 Stakeholder analysis

Choice 2 Communication methods

Choice 3 Expert judgement

Choice 4 Communication requirement analysis

Correct Choice : 2

Justification :

Manage Communications is the process of creating, collecting, distributing, storing, retrieving, and the ultimate disposition of project information in accordance with the communications management plan. Communication methods is one of the tools and techniques used for this process.

Reference: *PMBOK® Guide* - Fifth Edition, page 297, figure 10-5

Question No : 121

In your project, which of the following facilitates the Control Risks process?

Choice 1 Reserve analysis

Choice 2 Analytical techniques

Choice 3 SWOT analysis

Choice 4 Assumptions analysis

Correct Choice : 1

Justification :

Reserve analysis is a tool used during the Control Risks process.

Reference: *PMBOK® Guide* - Fifth Edition, page 349 (figure 11-20)

PMstudy.com comments:

Option 2: Analytical techniques is used in the Plan Risk Management process

Option 3: SWOT analysis is used in the Identify Risks process

Option 4: Assumptions analysis is also used in the Identify Risks process.

Question No : 122

Your company is involved in the activity of identifying and documenting the norms for rating or scoring proposals at the organization level. From a project management perspective, this can be referred to as:

Choice 1 Constraints

Choice 2 Source selection criteria

Choice 3 Assumptions

Choice 4 Best practices

Correct Choice : 2

Justification :

Selection criteria are developed and used to rate or score seller proposals.

Reference: *PMBOK® Guide* - Fifth Edition, page 368

Question No : 123

Which of the following tools or techniques are used in all three of the Identify Stakeholders, Plan Stakeholder Management, and Control Stakeholder Engagement processes?

Choice 1 Meetings and Expert judgment

Choice 2 Expert judgment and Information management systems

Choice 3 Meetings and Communication methods

Choice 4 Interpersonal skills and Management skills

Correct Choice : 1

Justification :

Meetings and Expert judgment are tools that appear in all three of the Identify Stakeholders, Plan Stakeholder Management, and Control Stakeholder Engagement processes.

Option 2: Information management systems are used in the Control Stakeholder Engagement process.

Option 3: Communication methods are used in the Manage Stakeholder Engagement process.

Option 4: Interpersonal skills and Management skills are tools used in the Manage Stakeholder Engagement process.

Reference: *PMBOK® Guide* Fifth Edition, page 392, figure 13-1.

Question No : 124

You are in the build phase of your project, when you realize that because of a design error, the product will not meet the performance parameters specified by the customer. In this context, you should:

- Choice 1** Revise downward the performance parameters so that the product developed will satisfy those parameters
- Choice 2** Discuss with your team to try and find alternative methods to solve the issue
- Choice 3** Escalate to your management team
- Choice 4** Ask for additional funding from your business sponsors to accommodate the new requirement

Correct Choice : 2

Justification :

Option 2: This is the correct answer. The first step should be to try and assess the problem within the team and then explore alternative methods to solve the issue.

Option 1: This is unethical if done without consulting the customer.

Option 3: This is a measure to be taken if it is determined that alternatives are not available and there is going to be an impact on project cost, schedule, or quality.

Option 4: Asking for additional funding should be done only after assessing the impact of the design error and after being satisfied that additional funding will be required.

Reference: PMstudy.com comments

Question No : 125

Which of the following is NOT a Project Management Knowledge Area?

Choice 1 Project Integration Management

Choice 2 Project Procurement Management

Choice 3 Project Configuration Management

Choice 4 Project Communications Management

Correct Choice : 3

Justification :

Project Configuration Management is not a Project Management Knowledge Area.

Reference: *PMBOK® Guide* - Fifth Edition, page 61

Question No : 126

You are the project manager for a medical device manufacturer responsible for developing a new low-cost prosthetic limb for use in developing countries. This is a high profile project for your company and is being funded by \$200M in grant money from several charitable organizations. During implementation, you spend some time with your team in monitoring and controlling the work being done by them. Which tool will you use?

Choice 1 Expert judgment

Choice 2 Project selection methods

Choice 3 Change requests

Choice 4 Configuration management system

Correct Choice : 1

Justification :

Expert judgment is used by the project management team to interpret the information provided by the monitor and control processes.

Reference: *PMBOK® Guide* - Fifth Edition, page 91

Question No : 127

You are the project manager of a software company. You need ideas for project and product requirements. Which of the following techniques will you use?

Choice 1 Flowcharting

Choice 2 Idea/Mind Mapping

Choice 3 Nominal Group Technique

Choice 4 Brainstorming

Correct Choice : 4

Justification :

Brainstorming: A general data gathering and creativity technique that can be used to identify risks, ideas, or solutions to issues by using a group of team members or subject matter experts.

Reference: *PMBOK® Guide* - Fifth Edition, page 530

Question No : 128

Since you are in the preliminary stages of your project, you estimate that your project may be completed in one year. However, the optimistic estimate is 6 months and pessimistic estimate is 18 months. This type of estimate is also called:

Choice 1 Definitive

Choice 2 Capital cost

Choice 3 Order of magnitude

Choice 4 Feasibility

Correct Choice : 3

Justification :

The different types of estimates are:

Order of Magnitude: -25% to +75%

Budget Estimates: -10% to +25%

Definitive Estimates: -5% to +10%

Reference: PMstudy.com study notes

Please note that the estimate varies from 1 year - 6 months to 1 year + 6 months (i.e. -25% to +75% variation, we can call this an Order of Magnitude Estimate)

Question No : 129

You and your sponsor are in an important meeting to select a project from among other projects having similar investments. In this context, you select the project with:

Choice 1 Higher life cycle cost

Choice 2 Lower life cycle cost

Choice 3 Higher sunk cost

Choice 4 Lower sunk cost

Correct Choice : 2

Justification :

Life Cycle Cost: The overall estimated cost for a particular program alternative over the time period corresponding to the life of the program. It includes:

- Direct and Indirect Costs
- Periodic or continuing costs of operation and maintenance

Project Selection Criterion: For two projects having same investment, select a project with lower life cycle cost.

Sunk costs are already incurred, hence should not be taken into account in project selection.

Reference: PMstudy.com comments

Question No : 130

In the Plan Quality process, you are using benchmarking as a tool to facilitate quality planning. In this context, which of the following statements about benchmarking is inaccurate?

Choice 1 Compares actual or planned project practices to those of other projects

Choice 2 Uses only information from within the performing organization

Choice 3 Generates ideas for improvement and provides a basis for measuring performance

Choice 4 Can be within the same or another application area

Correct Choice : 2

Justification :

Benchmarking involves comparing actual or planned project practices to those of comparable projects to identify best practices, generate ideas for improvement, and provide a basis for measuring performance. Benchmarked projects may exist within the performing organization or outside of it, or can be within the same application area.

Reference: *PMBOK® Guide* - Fifth Edition, page 239

Question No : 131

In your project, you invest a lot of time in team development to increase the team's performance, which in turn increases the likelihood of meeting project objectives. Which of the following indicators will you NOT use to evaluate your team's effectiveness?

Choice 1 Improvement in skills of team members

Choice 2 Improvement in competencies and morale that help the team to perform better as a group

Choice 3 Decrease in staff-attrition (i.e., fewer people leaving the project team)

Choice 4 Delivery of project deliverables before time

Correct Choice : 4

Justification :

To evaluate the team's effectiveness, we may include indicators such as:

- Improvements in skills that allow individuals to perform assignments more effectively
- Improvements in competencies that help the team to perform better as a team
- Reduced staff turnover rate
- Increased team cohesiveness whereby team members share information and experiences and help each other to improve the overall project performance

Reference: *PMBOK® Guide* - Fifth Edition, page 278

PMstudy.com comments: To evaluate the team's effectiveness, we do not consider the project delivery parameters like scope, time or cost. In this process, the emphasis is on developing the skills of individual team members, and their ability to function as a team.

Question No : 132

As part of Project Communications Management, you are monitoring and controlling communications throughout the entire project life cycle to ensure the information needs of the project stakeholders are met. This is done as part of:

Choice 1 Plan Communications Management

Choice 2 Manage Communications

Choice 3 Control Communications

Choice 4 Administrative closure

Correct Choice : 3

Justification :

Control Communications is the process of monitoring and controlling communications throughout the entire project life cycle to ensure the information needs of the project stakeholders are met.

Reference: *PMBOK® Guide* - Fifth Edition, page 303

Question No : 133

In the Identify Risks phase, you are working with your team to determine which risks may affect project performance. Which of the following information gathering techniques can you use to facilitate the process?

Choice 1 Brainstorming, cause and effect diagrams, and P&I Matrix

Choice 2 Delphi technique, SWOT analysis, and risk audits

Choice 3 SWOT analysis, Decision tree, and influence diagrams

Choice 4 Brainstorming, Delphi technique, and root cause analysis

Correct Choice : 4

Justification :

Brainstorming, Delphi technique, interviewing, and root cause analysis are the information gathering techniques used in the Identify Risks process.

Reference: *PMBOK® Guide* - Fifth Edition, pages 324 and 325

PMstudy.com comments:

Option 1: Cause and effect diagrams are a type of diagramming technique (not information gathering). The P & I Matrix is used in the Perform Qualitative Risk Analysis process.

Option 2: SWOT is not an Information Gathering technique. Risk audits are used to control risks.

Option 3: Decision Trees are used in the Perform Quantitative Risk Analysis process. Influence diagrams are a type of diagramming technique.

Question No : 134

In your project, you would like to use the 'Conduct Procurements' process to obtain quotations for subcontracting your work. Which of the following tools can be used to facilitate this process ?

- A. Bidder conference
- B. Meetings
- C. Advertising
- D. Procurement negotiations

Choice 1 B, C and D

Choice 2 A, C and D

Choice 3 C and D

Choice 4 Only A

Correct Choice : 2

Justification :

Meetings are not tools or techniques used in the Conduct Procurements process.

The tools and techniques used in this process are bidder conference, advertising, procurement negotiations, etc.

Reference: *PMBOK® Guide* - Fifth Edition, page 371 (figure 12-4)

PMstudy.com comments: Meetings are one of the tools and techniques for the Plan Procurement Management process.

Question No : 135

Engagement levels of stakeholders can be classified as follows:

Choice 1 Unaware, Resistant, Balanced, Supportive, and Aware

Choice 2 Unaware, Against, Neutral, Supportive, and Aware

Choice 3 Unaware, Resistant, Neutral, Aware, and Leading

Choice 4 Unaware, Resistant, Neutral, Supportive, and Leading

Correct Choice : 4

Justification :

Analytic techniques are used to assess the current and desired engagement level of stakeholders which can be classified into Unaware, Resistant, Neutral, Supportive, and Leading engagement levels. This information can be documented in a Stakeholders Engagement Assessment Matrix.

Reference: PMstudy.com comments

Question No : 136

You are the project manager of a very critical project, which will impact the lives of several people in your community. To ensure the success of your project, you try to circulate accurate and truthful communication to the public through advertisements and statements published in newspapers. This demonstrates that you are good at:

Choice 1 Defining scope and managing customer expectations

Choice 2 Managing your responsibility to the customer and the public

Choice 3 "Properly marketing promotional activities" as per Deming and Shewhart

Choice 4 Ensuring the successful completion of your project

Correct Choice : 2

Justification :

As per PMI, the following are the responsibilities of the project manager to the customer and the public:

1. Responsibility to provide accurate and truthful representations to the public in advertising, public statements and in the preparation of estimates concerning costs, services, and expected results.
2. Responsibility to maintain and satisfy the scope and objectives of professional services, unless otherwise directed by the customer.
3. Responsibility to maintain and respect the confidentiality of sensitive information obtained in the course of professional activities or otherwise where a clear obligation exists.

Reference: PMI Code of Ethics and Professional Conduct

PMstudy.com comments

Option 1: "Providing accurate and truthful representations to the public" will not help in proper scope definition.

Option 3: No such theories of Deming and Shewhart exist.

Option 4: "Providing accurate and truthful representations to the public" will not ensure successful project completion -- there are several other activities required to ensure project success.

Question No : 137

As a project manager, you have identified the stakeholders of your project. What should you do next?

Choice 1 Update Project Charter

Choice 2 Create Project Management Plan

Choice 3 Create Communications Management Plan

Choice 4 Create Stakeholder Register

Correct Choice : 4

Justification :

The main output of the Identify Stakeholder process is the Stakeholder Register. It is a project document including the identification, assessment, and classification of project stakeholders.

Reference: *PMBOK® Guide* - Fifth Edition, pages 393 (figure 13-2) and 563

Question No : 138

You are in the process of creating a project plan for the launch of a new drug. While creating the plan, your finance manager has provided some very useful insights for marketing the new drug. This shows that:

- Choice 1** Every stakeholder has skills and knowledge that can be used in developing the project plan.
- Choice 2** Finance managers usually have good knowledge about marketing activities.
- Choice 3** Finance managers should always be involved when creating a project plan.
- Choice 4** Finance managers and project managers should always work in tandem during project plan creation.

Correct Choice : 1

Justification :

Every stakeholder has skills and knowledge that can be utilized for developing the project plan. The project management team must create an environment in which the stakeholders feel free to contribute.

Reference: PMstudy.com comments

Question No : 139

Project Scope Management includes the processes required to ensure that the project includes all the work required, and only the work required, to complete the project successfully. In this context, a detailed project scope statement is prepared as part of:

Choice 1 Collect Requirements

Choice 2 Create WBS

Choice 3 Scope Elaboration

Choice 4 Define Scope

Correct Choice : 4

Justification :

The project scope statement is prepared as part of the Define Scope process.

Reference: *PMBOK® Guide* - Fifth Edition, page 120 (figure 5-7)

Question No : 140

While creating a project schedule, what duration should a milestone have?

Choice 1 Zero

Choice 2 Duration equal to the phase duration

Choice 3 Duration equal to the time required for a particular task to be completed

Choice 4 Duration of the complete project till the milestone date

Correct Choice : 1

Justification :

Milestone is a significant point or event in a project, program, or portfolio.

Reference: *PMBOK® Guide* - Fifth Edition, page 546

PMstudy.com comments: Since milestones only indicate when a particular task is going to be started or completed, they will not have any duration, i.e., the duration for milestone is zero.

Question No : 141

The value of work actually accomplished is also known as

Choice 1 Planned Value

Choice 2 Earned Value

Choice 3 Actual Cost

Choice 4 Budgeted Cost for Work Scheduled (BCWS)

Correct Choice : 2

Justification :

Acronym	Term	Description	Formula
PV (BCWS)	Planned Value (Budgeted Costs for Work Scheduled)	Physical work to be scheduled, including the estimated value of the work	
EV (BCWP)	Earned Value (Budgeted Costs for Work Performed)	Physical work actually accomplished, including estimated value of this work	
AC	Actual Cost	Actual cost of the work completed	
SV	Schedule Variance	Negative SV: Behind Schedule Positive SV: Ahead of Schedule	$EV - PV$
CV	Cost Variance	Negative CV: Over Budget Positive CV: Under Budget	$EV - AC$
CPI	Cost Performance Index	Value got for \$1 of Actual Cost	$EV/AC = BAC/EAC$
SPI	Schedule	Progress as a % of Planned Progress	EV/PV

	Performance Index	
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Reference: PMstudy.com comments

Also, please refer to *PMBOK® Guide* - Fifth Edition, page 218

Question No : 142

You are doing a quality audit for your project to identify all the gaps/shortcomings in your project. This is a part of:

Choice 1 Plan Quality process

Choice 2 Perform Quality Assurance process

Choice 3 Quality Management Plan

Choice 4 Control Quality process

Correct Choice : 2

Justification :

Quality audit is a tool and technique used in Perform Quality Assurance process.

Reference: *PMBOK® Guide* - Fifth Edition, page 247

Question No : 143

In your project, you use the Develop Project Team process to improve the competencies and interaction of team members to enhance project performance. The output from this process is:

Choice 1 Project staff assignments

Choice 2 Staffing management plan

Choice 3 Team performance assessments

Choice 4 All the above

Correct Choice : 3

Justification :

Project staff assignments are an output for the Acquire Project Team process. Staffing management plan is an output for the Plan Human Resource Management process.

Reference: *PMBOK® Guide* - Fifth Edition, pages 265 and 272

Question No : 144

In your project, you would like to conduct a lessons learned session to identify project successes and failures, as well as make recommendations to improve future project performance. This is done during:

Choice 1 Project closure

Choice 2 Project initiation

Choice 3 Project life cycle

Choice 4 Project execution and project closure

Correct Choice : 3

Justification :

During the project life cycle, the project team and key stakeholders identify lessons learned concerning all aspects of the project. The lessons learned are compiled, documented, and distributed so that they become part of the historical database. However, most of the organizations prefer post-implementation meetings and case studies to document lessons learned.

Reference: PMstudy.com comments

Question No : 145

You are the project manager of a software company developing a new banking software product. You would like to obtain information from various experts about the risks associated with your project. You decide to use the Delphi technique because this keeps any one person from having undue influence on the outcome of the Identify Risks process. The Delphi technique also has the added advantage that it:

Choice 1 Finds out a problem, discovers the reasons that led to it, and develops preventive actions.

Choice 2 Helps reduce bias in the data.

Choice 3 Examines the project from each of the SWOT perspectives to increase the breadth of the identified risks.

Choice 4 Provides a qualitative assessment of risk.

Correct Choice : 2

Justification :

The Delphi technique helps reduce bias in the data and keeps any one person from having undue influence on the outcome.

Reference: *PMBOK® Guide* - Fifth Edition, page 324

PMstudy.com comments:

Option 1: This is an advantage of "Root cause analysis" technique.

Option 3: This is an advantage of "SWOT analysis".

Option 4: This is not valid in the Identify Risks process (where the Delphi technique is used). It happens in the Perform Qualitative Risk Analysis process.

Question No : 146

Which of the following statements on time and material contracts is accurate?

Choice 1 These types of contracts resemble cost-reimbursable type arrangements, because they are close ended.

Choice 2 T&M contracts cannot grow in value like a cost-reimbursable contract.

Choice 3 The full value of the agreement is defined at the time of contract award.

Choice 4 Unit rates can be fixed by the buyer and seller when both parties agree on the values for specific resource categories.

Correct Choice : 4

Justification :

Time and material (T&M) contracts ... are the types of contracts that resemble cost-reimbursable contracts in that they can be left open ended and may be subject to a cost increase for the buyer. The full value of the agreement and the exact quantity of items to be delivered may not be defined by the buyer at the time of the contract award. Thus, T&M contracts can increase in contract value as if they are cost-reimbursable contracts.

Unit labor or material rates can be preset by the buyer and seller, including seller profit, when both parties agree on the values for specific resource categories, such as senior engineers at specified rates per hour, or categories of materials at specified rates per unit.

Reference: *PMBOK® Guide* - Fifth Edition, page 364

Question No : 147

You are the project manager for a high-priority project that involves the creation of a new product that is expected to bring the company out of debt within one year of the product's release. At least half of the company's employees have played a significant role in the project. The project team is currently creating deliverables and everyone in the company is excited to see the project moving along as per the project management plan. The wife of the company's CEO often comes into the office and loves to visit and socialize with company employees. She is very interested in the project and often asks you and other team members specific details about the project and how things are going. One day, she presents an innovative idea to you for an additional product feature that she thinks customers will love. What should be your NEXT step?

Choice 1 Advise her that the feature cannot be incorporated

Choice 2 Implement the feature since it sounds like a great idea

Choice 3 Talk to the CEO about his wife's suggestion and see what he thinks

Choice 4 Tell her you'll speak with some customers and see what they think about the new feature

Correct Choice : 1

Justification :

Since the feature was not a previously approved requirement and is not a request from a relevant project stakeholder, it should not be implemented and would likely be considered gold plating. If the project manager determined that the feature may be a valid one, then he or she could take it through the change control process to see if others agreed. Individuals like the CEO's wife, who are not relevant project stakeholders, need to be properly monitored and controlled. She is very interested in the project, but since she is not an employee of the company, she is not a relevant stakeholder so she has very little power and legitimacy. As the project manager, you could continue to keep her informed if this was considered acceptable in the company, but she should not be continuously discussing the project with other team members who should be engaged in completing their scheduled project activities.

Reference: PMstudy.com comments

Question No : 148

You have earned a doctorate from MIT and are currently working with a leading chip manufacturer. A seller you met at a vendor conference requested you to be their part-time consultant to design an innovative automobile component. At MIT, you did a similar project and are inclined to participate in the venture, as there is no conflict of interest involved. In this context, it is advisable that you should:

Choice 1 Decline the seller's offer, because it could be construed as conflict of interest by your company

Choice 2 Ask your senior management whether you can participate in this venture

Choice 3 Leave the company and take up the seller's offer, because it interests you

Choice 4 Accept the seller's offer and inform senior management

Correct Choice : 2

Justification :

Option 2 is the best choice. This is the first step that you should take. Once you inform the senior management, they may allow you to take the part-time assignment with the seller, if they see no conflict of interest. If, on the other hand, your company sees this as conflict of interest, you can go for Option 1 (Decline the seller's offer) or option 3 (Leave the company and take up the seller's offer). Option 4 is not recommended; you should first inform the management before accepting the seller's offer.

Reference: PMstudy.com comments

Question No : 149

You are working as a project manager and are in the process of defining and documenting stakeholders' needs to meet project objectives. What documents are you going to use for this purpose?

Choice 1 Project charter

Choice 2 Requirements documentation

Choice 3 Stakeholder register

Choice 4 Project charter and stakeholder register

Correct Choice : 4

Justification :

Reference: *PMBOK® Guide* - Fifth Edition, page 111 (figure 5-4)

PMstudy.com comments: Collect Requirements is the process of determining, documenting, and managing stakeholder needs and requirements to meet project objectives. Requirements documentation is an output for Collect Requirements process. Scope management plan, requirements management plan, stakeholder management plan, project charter, and stakeholder register are inputs to this process.

Question No : 150

In a job interview, you are asked to define the most important characteristic of a project manager. Which of the following will be the best answer?

Choice 1 Subject matter expert

Choice 2 Integrator

Choice 3 Creative person

Choice 4 Risk minimizer

Correct Choice : 2

Justification :

In the project management context, integration includes characteristics of unification, consolidation, communication, and integrative actions that are crucial to controlled project execution through completion, successfully managing stakeholder expectations, and meeting requirements.

Reference: *PMBOK® Guide* - Fifth Edition, page 63

PMstudy.com comments: The most important characteristic of a project manager is being an integrator who can manage all the different interfaces of the project. The project manager should also be a good communicator, because a project manager usually spends more than 90% of her time communicating with different project stakeholders.

Option 1: A project manager need not be a subject matter expert. There may be several subject matter experts from whom the project manager can take advice when required.

Option 3: Creativity is desirable but not the most important characteristic of a project manager.

Option 4: A project manager should try to minimize risks in the project. However, this is not the most important characteristic of a project manager.

Question No : 151

The customer and project manager need to validate the scope of the deliverables. This will help to:

Choice 1 Ensure proper project selection

Choice 2 Create WBS

Choice 3 Obtain customer`s acceptance of the project deliverables

Choice 4 Mitigate project risks

Correct Choice : 3

Justification :

Validate Scope is the process of formalizing acceptance of the completed project deliverables. The verified deliverables obtained from the Control Quality process are reviewed with the customer or sponsor to ensure that they are completed satisfactorily and have received formal acceptance of the deliverables by the customer or sponsor.

Reference: *PMBOK® Guide* - Fifth Edition, pages 133 and 134

Question No : 152

In your project, you wish to estimate the type and quantity of resources required for each activity. Which of the following techniques will you use for this purpose?

Choice 1 Reserve analysis

Choice 2 Variance analysis

Choice 3 Assumptions analysis

Choice 4 Alternatives analysis

Correct Choice : 4

Justification :

Estimate Activity Resources is the process of estimating the type and quantities of material, people, equipment, or supplies required to perform each activity. Alternatives analysis is one of the techniques used in the process.

The techniques specified in the other three options are not used in Estimate Activity Resources process.

Reference: *PMBOK® Guide* - Fifth Edition, pages 160 and 161 (figure 6-12)

Question No : 153

Which of the following projects described below will you select?

Choice 1 Project A with sunk cost of \$4,000 and an opportunity cost of \$3,000

Choice 2 Project B with sunk cost of \$5,000 and an opportunity cost of \$3,000

Choice 3 Project C with sunk cost of \$5,000

Choice 4 Cannot be determined from the above options.

Correct Choice : 4

Justification :

Sunk cost and opportunity cost are not considered as project selection criteria. So, we cannot use these criteria to determine which project will be selected.

Reference: PMstudy.com comments

Question No : 154

You are the project manager in a company. You have to prepare a process improvement plan. Which of the following would you not consider for this purpose?

Choice 1 Quality metrics

Choice 2 Targets for improved performance

Choice 3 Process boundaries and process metrics

Choice 4 Process configuration

Correct Choice : 1

Justification :

The areas to be considered in the process improvement plan include process boundaries, process configuration, process metrics, and targets for improved performance.

Reference: *PMBOK® Guide* - Fifth Edition, page 241

PMstudy.com comments: Quality Metric is an output of Plan Quality Management. A quality metric is an operational definition that describes, in very specific terms, a project or product attribute and how the quality control process will measure it. It is not used for determining process improvements.

Question No : 155

According to Herzberg's theory, the absence of hygiene factors can create job dissatisfaction, but their presence does not motivate or create satisfaction. Which of the following can be categorized as a hygiene factor?

Choice 1 Recognition

Choice 2 Responsibility

Choice 3 Advancement in career

Choice 4 Interpersonal relations

Correct Choice : 4

Justification :

Motivation-Hygiene Theory / Two-Factor Theory (Herzberg)

- Factors such as company policy, supervision, interpersonal relations, working conditions, and salary are hygiene factors. The absence of hygiene factors can create job dissatisfaction, but their presence does not guarantee motivation or satisfaction. So, improvement in hygiene factors (dissatisfiers) produces only short-term changes in job attitudes and performance.
- Achievement, recognition, the work itself, responsibility, and advancement are motivators (satisfiers). They are associated with long-term positive effects in job performance.
- The satisfiers relate to what a person does, while the dissatisfiers relate to the situation in which the person works.

Reference: PMstudy.com study notes

Question No : 156

You are the project manager of an IT company. You are creating a collection and filing structure that details methods used to gather and store various types of information, and also procedures to collect and disseminate updates and corrections to the concerned stakeholders. Where will you include this information?

Choice 1 Information retrieval system

Choice 2 Information distribution methods

Choice 3 Communications management plan

Choice 4 Project records

Correct Choice : 3

Justification :

The communications management plan includes:

1. Communication needs of the stakeholders
2. Description of the information to be distributed, including reason for distribution, time frame, frequency, format, content, level of detail
3. Identification of a person to receive, authorize, and release confidential information and its communication
4. Technologies/methods used to convey information
5. Resources allotted to communicate activities; and escalation process definition and identification Collection and filing structure that details what methods will be used to gather and store various types of information
6. Flow charts, workflows with possible sequence of authorization, list of reports, and meeting plans, etc.
7. Constraints related to communications
8. Method of updating and refining the communications management plan as project progresses

Reference: *PMBOK® Guide* - Fifth Edition, page 296

PMstudy.com comments: All the methods, planning documents etc. related to Communications Management are included in the Communications Management Plan.

Question No : 157

As part of Perform Quantitative Risk Analysis process, you, as a project manager, have already done a sensitivity analysis, created decision trees and done a project simulation using Monte Carlo technique. However, when you show your results to your manager, she is not happy. She thinks that your analysis is not acceptable because:

Choice 1 Monte Carlo simulations are not a standard methodology used in the company for risk quantification.

Choice 2 The quantitative value of identified risks is too high.

Choice 3 You have not performed risk audits as part of your project.

Choice 4 You have not conducted an interview with the project stakeholders and subject matter experts.

Correct Choice : 4

Justification :

Interviewing techniques draw on experience and historical data to quantify the probability and impact of risks on project objectives. The information needed depends upon the type of probability distributions that will be used... Documenting the rationale of the risk ranges and the assumptions behind them are important components of the risk interview because they can provide insight on the reliability and credibility of the analysis.

Reference: *PMBOK® Guide* - Fifth Edition, page 336

PMstudy.com comments:

Option 1: This may or may not be true. There is nothing in the question which suggests that Monte Carlo Analysis should not be used and this is a standard tool for the Perform Quantitative Risk Analysis process.

Option 2: A high quantitative value of risks does not render the Perform Quantitative Risk Analysis process unacceptable.

Option 3: This refers to a tool and technique in the Control Risks (not the Perform Quantitative Risk Analysis) process.

Option 4: This is the correct answer. Since a risk interview was not conducted, the results of the Perform Quantitative Risk Analysis process will not be dependable.

Question No : 158

In your project, you want to ensure that all prospective sellers have a clear and common understanding of the procurements. In which of the following processes would you use bidder conferences as a tool?

Choice 1 Close Procurements

Choice 2 Conduct Procurements

Choice 3 Administer Procurements

Choice 4 Plan Procurements

Correct Choice : 2

Justification :

The tools and techniques used in Conduct Procurements process are bidder conferences, advertising, procurement negotiations, etc.

Reference: *PMBOK® Guide* - Fifth Edition, page 371 (figure 12-4)

Question No : 159

You are working on a project that your company recently won through a bidding process. It is still very early in the project, but the project charter is complete and you are now creating the stakeholder register. Which of the following would be useful to help you identify the project stakeholders:

Choice 1 Procurement statement of work

Choice 2 Procurement documents

Choice 3 Business case

Choice 4 Project management plan

Correct Choice : 2

Justification :

Since this is a contract that was awarded to your company, the Procurement Documents (e.g., RFP) will have information about who some of the project stakeholders are. This would be a good starting place to gather information about key stakeholders and their respective roles in the project.

Reference: PMstudy.com comments

Question No : 160

You are discussing your project with a close friend and colleague in the company. You are worried that your project is behind schedule and over budget. Your colleague explained how she was able to bring her project back on schedule by taking out some non-critical tasks from the project scope without informing anyone in the organization. She advised you to do likewise. In this context, you should:

Choice 1 Inform management about your colleague's activities.

Choice 2 Get more information on how your colleague was able to get the project on schedule, so you can do something similar for your project.

Choice 3 Do nothing and continue with your project as if nothing happened.

Choice 4 Try crashing your project.

Correct Choice : 1

Justification :

Option 1: This is the correct answer, as you are following PMI Code of Ethics and Professional Conduct. As per PMI Code of Ethics and Professional Conduct, whenever you come across any illegal activity or impropriety, you should report it to the management. Clearly, taking out tasks from the project scope without proper authorization is a violation of the Code.

Option 2: This is not recommended, as you are trying to copy an unethical practice.

Option 3: This is not recommended, as you should report your friend and also have a discussion with your manager about the problems you are facing in your project.

Option 4: This is not recommended. Although crashing may shorten the project schedule, it increases project costs. Since your project is already over budget, it will make things worse.

Reference: PMstudy.com comments

Question No : 161

You are responsible for managing a project in your company but you have least authority and have to constantly report to a functional manager. To which organizational structure does your company belong?

Choice 1 Matrix

Choice 2 Functional

Choice 3 Projectized

Choice 4 Balanced

Correct Choice : 2

Justification :

A classic functional organization... Staff members are grouped by specialty, such as production, marketing, engineering, and accounting at the top level.

Reference: *PMBOK® Guide* - Fifth Edition, page 22 (table 2-1)

PMstudy.com comments: Project manager has least authority in a functional organization structure.

Question No : 162

As a project manager, you often have to deal with change requests to expand or reduce the project scope. Which of the following will NOT be impacted if such changes are made?

Choice 1 Project charter

Choice 2 Project documents

Choice 3 Project management plan

Choice 4 Product deliverables

Correct Choice : 1

Justification :

Changes can impact the project management plan, project documents, or product deliverables

Reference: *PMBOK® Guide* - Fifth Edition, page 92

PMstudy.com comments: Frequent change requests to the project scope will not impact the project charter.

Question No : 163

You are a project manager in a manufacturing company. You are developing a new product. In this context, you are conducting requirements workshop for the stakeholders to determine the product's critical characteristics. Which technique would you use for this purpose?

Choice 1 Quality function deployment

Choice 2 Joint application development

Choice 3 Voice of the customer

Choice 4 Juran's improvement technique

Correct Choice : 1

Justification :

Quality Function Deployment (QFD) is an example of a facilitated workshop technique that helps determine critical characteristics for new product development.

Reference: *PMBOK® Guide* - Fifth Edition, page 114

Question No : 164

You are managing a transmission line project in a Historic Settlement. You have identified the Five Tasks that need to be done as part of this project and represented them in the chart given below:

Task	Preceding Activity	Estimate in Months
Start	-	0
1	Start	3
2	1	4
3	Start	2
5	3	5
4	Start	7
5	4	1
End	2	3
End	5	4

What is the slack of task 3?

Choice 1 1 Month

Choice 2 0 Months

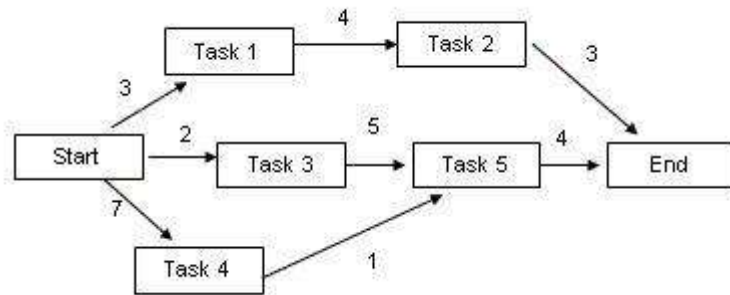
Choice 3 2 Months

Choice 4 -1 Month

Correct Choice : 1

Justification :

Please refer to the figure below:



The lengths of the different paths are:

Start → 1 → 2 → End: 10 Months

Start → 3 → 5 → End: 11 Months

Start → 4 → 5 → End: 12 Months

Since the longest path is Start → 4 → 5 → End, this is the critical path. Length of the critical path is 12 Months.

Slack = 12 Months (critical path duration) - 11 Months (duration of path having task 3) = 1 Month

Reference: PMstudy.com comments

Question No : 165

In your project, you have included contingency allowances in the cost estimates of many schedule activities. In this context, which of the following statements on contingency reserve is incorrect?

Choice 1 Quantitative analysis methods are used for developing contingency reserve.

Choice 2 Precise information on the project helps reduce contingency reserve.

Choice 3 Cost estimates may not include contingency reserve.

Choice 4 Contingency reserve may be a percentage of the estimated cost.

Correct Choice : 3

Justification :

The contingency reserve may be a percentage of the estimated cost, a fixed number, or may be developed by using quantitative analysis methods. As more precise information about the project becomes available, the contingency reserve may be used, reduced, or eliminated.

Reference: *PMBOK® Guide* - Fifth Edition, page 206

Question No : 166

You are determining whether the project activities comply with organizational and project policies. This will be done as part of:

Choice 1 Inspection

Choice 2 Quality audits

Choice 3 Quality improvement

Choice 4 Trend analysis

Correct Choice : 2

Justification :

A quality audit is a structured, independent process to determine whether project activities comply with organizational and project policies, processes, and procedures.

Reference: *PMBOK® Guide* - Fifth Edition, page 247

Question No : 167

In your project, you establish clear expectations regarding acceptable behavior by project team members. You believe that early commitment to clear guidelines will decrease misunderstanding and increase productivity. These expectations and guidelines are also known as:

Choice 1 Team-building activities

Choice 2 Ground rules

Choice 3 Interpersonal skills

Choice 4 Rules of conduct

Correct Choice : 2

Justification :

Ground rules establish clear expectations on acceptable behavior by project team members. Early commitment to clear guidelines decreases misunderstandings and increases productivity. Discussing ground rules in areas such as code of conduct, communication, working together, or meeting etiquette allows team members to discover values that are important to one another.

Reference: *PMBOK® Guide* - Fifth Edition, page 277

Question No : 168

In your project, as part of the Manage Communications process, you have created an information retrieval system, which helps team members and stakeholders to share information. What will you do next?

Choice 1 Create a communications management plan

Choice 2 Identify and document the approach to communicate effectively and efficiently with stakeholders

Choice 3 Determine methods of accessing information for scheduled communications

Choice 4 Conduct regular status review meetings to exchange information on the project

Correct Choice : 4

Justification :

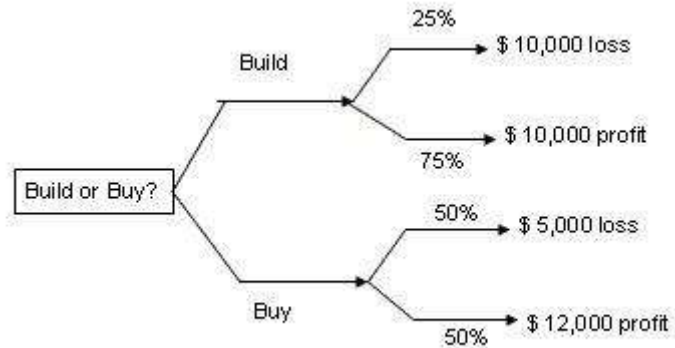
Option 4 (Meetings) is one of the tools and techniques used for the Control Communications process, which is performed after the Manage Communications process.

Reference: *PMBOK® Guide* - Fifth Edition, page 288 (figure 10-1)

PMstudy.com comments: Activities stated in options 1, 2, and 3 are part of the Plan Communications Management process (which is performed before the Manage Communications process).

Question No : 169

Please refer to the Decision Tree given below which shows the analysis of profit/loss for the two alternatives (i.e., build or buy).



Which, out of the two alternatives of build or buy, should the project manager recommend?

Choice 1 Build

Choice 2 Buy

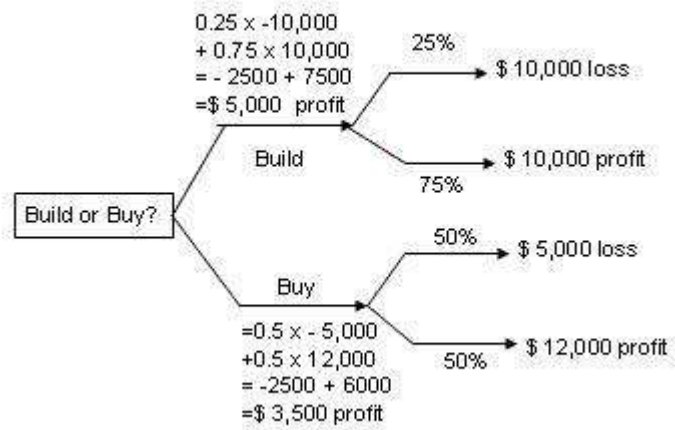
Choice 3 Either build or buy

Choice 4 Sensitivity analysis before making a build/buy decision

Correct Choice : 1

Justification :

The project manager should recommend build because the expected value is higher for this alternative.



Question No : 170

You are a key participant in the RFP process for procuring services for your company using a Fixed Price with Economic Price Adjustment contract. Selecting the right vendor is important as the contract spans three years and includes the provision of key services for your business. You have worked with a previous supplier in the past for a number of years, but your business is changing rapidly and you would like to see what other providers have to offer. You are now waiting for proposals to come back and a seller contacts you saying that the product requirements are missing from the SOW. What should you do?

Choice 1 Schedule a bidder conference

Choice 2 Tell him you can't share it until his company is chosen as the seller

Choice 3 Send the requirements to all sellers

Choice 4 Tell him that they are not necessary and he should work with what he has

Correct Choice : 3

Justification :

Sellers need to be provided with sufficient information to allow them to provide an accurate and complete response. The product requirements are key to understanding the scope of the contract.

Option 1: Although a bidder conference may be a good idea, the sellers first need to have the proper requirements included in the RFP so that they can review these details prior to the bidder conference. The bidder conference can then be used to ensure that each seller has a clear understanding of all requirements for the contract.

Option 2: Each seller needs to provide procurement documents which have the required details. If confidentiality of the information is an issue, then the buyer can have sellers sign non-disclosure agreements before they are provided with any confidential information.

Option 4: It would be difficult for the seller to create a proposal without the appropriate requirements.

Reference: *PMBOK® Guide* - Fifth Edition, pages 367 and 375

Question No : 171

You are the project manager for a high priority project for your company. You just came out of a meeting with the project sponsor where you informed her that the project's current SPI is .7 and the CPI is 1.3. On your way back to your desk, you pass by some team members who appear to be engaged in a dispute, so you ask them what's going on. It seems that one of the team members had been discussing the product requirements with the operation's manager who made some valid requests for the product that he thinks should be part of the product's scope. The other team member says the operation's manager was not an identified stakeholder for the project so his requirements should not be considered. As the project manager, what should you do?

- Choice 1** Identify the operation's manager as a valid stakeholder and review his requests and possibly take them through change control.
- Choice 2** Tell the team members to confront their issue and work it out among themselves.
- Choice 3** Tell the team members you will advise the operation's manager that the team will discuss his requests and get back to him.
- Choice 4** Tell the team members to stop wasting time arguing and get back to work since the project is behind schedule.

Correct Choice : 1

Justification :

In an operations or manufacturing setting, it is desirable to include operational stakeholders, such as the manufacturing manager and other plant and production personnel, as relevant stakeholders for the project. Since they will be creating the final product deliverables, they may have valuable input that should be considered throughout the project life cycle. Engaging operational stakeholders in the project's planning and other phases will help to mitigate or eliminate project risks or post-project issues.

Reference: PMstudy.com comments

Question No : 172

While reviewing a land purchase agreement with the government, the project manager thought that some clauses in the agreement were not in order. She consulted the company lawyer, who advised her that all the legal formalities and procedures were properly followed as per the state laws. However, the project manager was not satisfied with the explanation given by the company lawyer. To find out a solution to this issue, she should:

Choice 1 Discuss the issue with a friend, who is a corporate lawyer in another firm.

Choice 2 Inform the senior manager about possible misconduct in the land purchase agreement.

Choice 3 Trust the company lawyer and go ahead with the project.

Choice 4 Report the issue to PMI and seek their advice.

Correct Choice : 3

Justification :

Option 3: This is the correct answer. We must differentiate between "formalities and procedures" vs. "practices. For example, telling lies, fraud, etc., are improper practices, which must be reported and acted upon". The project manager, however, is not competent to question the correctness of the company's legal formalities and procedures. So, if the company lawyer advises her that "all the legal formalities and procedures were appropriately followed as per the state laws," the project manager should take his advice.

Option 1: This is not the best choice, since the matter, which might be proprietary should not be discussed with outsiders to the organization.

Option 2: The project manager should not bring up the issue with the senior manager, since she is not competent to question the legal opinion of the company lawyer.

Option 4: No improper practice is involved here and therefore should not be reported to PMI. PMI does not concern itself with individual instances of perceived impropriety.

Reference: PMstudy.com comments

Question No : 173

Which of the following is not an example of a project?

Choice 1 Develop a new product or service or result

Choice 2 Change the password of a user for logging into a bank website

Choice 3 Run a campaign for political office

Choice 4 Implement a new business procedure or process

Correct Choice : 2

Justification :

A project is a temporary endeavor undertaken to create a unique product, service, or result. Operations are ongoing endeavors that produce repetitive outputs, with resources assigned to do basically the same set of tasks according to the standards institutionalized in a product life cycle. Unlike the ongoing nature of operations, projects are temporary endeavors.

Reference: *PMBOK® Guide* - Fifth Edition, pages 3 and 13

PMstudy.com comments: Changing the password of a user for logging into a website is an operation because:

- a) It is not a unique activity.
- b) It does not have a specific start and end date, i.e., passwords need to be changed whenever there is a request from any user.

The activities stated in all the other options are examples of projects.

Question No : 174

The project is at an initial stage where the project team members are beginning to get acquainted with each other. A few conflicts occur among different project stakeholders. Which of the following activities is NOT performed by the project manager to ensure the success of the project?

- Choice 1** Coordinate activities among all project team members
- Choice 2** Coordinate activities between project sponsor and external stakeholders
- Choice 3** Coordinate activities among all internal project stakeholders
- Choice 4** Coordinate activities among external interfaces and competitors

Correct Choice : 4

Justification :

The project manager is responsible for coordinating activities of all the relevant internal and external stakeholders of the project. The project manager would not coordinate activities among competitors.

Reference: PMstudy.com comments

Question No : 175

You are managing the changes made to the scope baseline. The causes of variances and the reasoning behind the corrective action chosen should be included in:

Choice 1 Recommended corrective action

Choice 2 Project management plan

Choice 3 Scope management plan

Choice 4 Organizational process assets updates

Correct Choice : 4

Justification :

Organizational process assets updates: Organizational process assets that may be updated include, but are not limited to: causes of variances, corrective action chosen and the reasons, and other types of lessons learned from project scope control.

Reference: *PMBOK® Guide* - Fifth Edition, page 140

Question No : 176

In Estimate Activity Duration process, which of the following is not an assumption?

Choice 1 Existing conditions

Choice 2 Availability of information

Choice 3 Length of the reporting periods

Choice 4 Project scope

Correct Choice : 4

Justification :

Examples of assumptions include, but are not limited to, existing conditions, availability of information, and length of the reporting periods.

Reference: *PMBOK® Guide* - Fifth Edition, page 168

Question No : 177

The following are the details of a project:

Payback: \$2,000
Profit: \$1,000
Project cost: \$800
Life cycle cost: \$1200

What is the Benefit Cost Ratio for this project?

Choice 1 2.50

Choice 2 1.25

Choice 3 1.67

Choice 4 0.83

Correct Choice : 1

Justification :

$BCR = \text{Payback} / \text{Project Cost} = 2000 / 800 = 2.50$

- Benefit Cost Ratio (BCR) = Benefits (or Payback or Revenue)/ Costs
- Project Selection Criterion: Select project with higher BCR
- $BCR > 1$ means that benefits (i.e. expected revenue) is greater than the cost. Hence, it is beneficial to do the project.

Example: There are 2 projects. Project A has an investment of \$500,000 and a BCR of 2.5. Project B has an investment of \$300,000 and a BCR of 1.5. Using Benefit Cost Ratio criterion, which project will you select?

Answer: Project A will be selected. The fact that project B has a smaller investment than project A will not impact the selection.

Question No : 178

Juran defines quality as "fitness for use." In this context, which of the following is NOT a primary benefit of meeting quality requirements?

Choice 1 Moderate productivity

Choice 2 Low cost

Choice 3 Less rework

Choice 4 Increased stakeholder satisfaction

Correct Choice : 1

Justification :

The primary benefits of meeting quality requirements include less rework, higher productivity, lower costs, increased stakeholder satisfaction and increased profitability.

Reference: *PMBOK® Guide* - Fifth Edition, page 235

Question No : 179

Once ground rules are established and communicated to the project team, the responsibility of enforcing these rules lies with the:

Choice 1 Project manager

Choice 2 Project management team

Choice 3 Project team members

Choice 4 Project sponsor and project manager

Correct Choice : 3

Justification :

All project team members share responsibility for enforcing the rules once they are established.

Reference: *PMBOK® Guide* - Fifth Edition, page 277

Question No : 180

You are the project manager with seven team members. One more member will be joining the team after a week. What will be the number of communication channels once the new member joins your team?

Choice 1 28

Choice 2 21

Choice 3 18

Choice 4 36

Correct Choice : 4

Justification :

There will be 9 people in your team (this includes 8 team members and you, the project manager). So, the number of communication channels = $9 \times (9 - 1) / 2 = 9 \times 8 / 2 = 36$.

Reference: PMstudy.com study notes

Question No : 181

In Plan Risk Responses process, you are developing options and actions to reduce threats to your project's objectives. When you show the results to your project sponsor, she is not comfortable with the risks in the project and suggests that the project scope should be decreased. This is an example of:

Choice 1 Risk acceptance

Choice 2 Risk avoidance

Choice 3 Risk mitigation

Choice 4 Risk transfer

Correct Choice : 2

Justification :

Risk avoidance involves changing the project management plan to eliminate the threat entirely. The project manager may also isolate the project objectives from the risk's impact or change the objective that is in jeopardy. Examples of this include extending the schedule, changing the strategy, or reducing scope.

Reference: *PMBOK® Guide* - Fifth Edition, page 344

Question No : 182

You are in the process of determining the types of contracts to be used, the procurement documents you will provide, and how to manage multiple providers. You can get the guidance for doing these activities through the:

Choice 1 Project plan

Choice 2 Procurement document

Choice 3 Procurement management plan

Choice 4 Proposals

Correct Choice : 3

Justification :

The procurement management plan describes how the procurement processes will be managed from developing procurement documents through contract closure. The procurement management plan can include guidance for:

- Types of contracts to be used
- Whether independent estimates will be used and whether they are needed as evaluation criteria
- Managing multiple suppliers

Reference: *PMBOK® Guide* - Fifth Edition, pages 366 and 367

Question No : 183

The project manager needs to effectively engage stakeholders throughout the project life cycle. Analytical techniques can be used to identify the current and desired engagement levels of each stakeholder. This information is captured in:

Choice 1 Stakeholder analysis matrix

Choice 2 Analytical forecasts

Choice 3 Stakeholders Engagement Assessment Matrix

Choice 4 Stakeholder register

Correct Choice : 3

Justification :

The Stakeholders Engagement Assessment Matrix (see below) is used to document current and desired engagement levels of project stakeholders.

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
Stakeholder 1	C			D	
Stakeholder 2			C	D	
Stakeholder 3				D C	

C = Current Engagement Level; D = Desired Engagement Level

Reference: PMstudy.com comments

Question No : 184

You are in the closing stage of the project. While reviewing the product, you have come to know that the tolerance is 0.05 microns more than what was specified in the project requirements. This is a very minor deviation, and you know that your customer will not notice it during product delivery. Also, it will not adversely impact your customer when the product is put to actual use. What should you do in this situation?

Choice 1 Inform the customer about the deviation

Choice 2 Change the project documents to allow for small deviations

Choice 3 Ask your project team to make changes to the product

Choice 4 Create a change request to make changes in the product

Correct Choice : 1

Justification :

It is the project manager's responsibility to maintain and satisfy the scope and objectives of professional services, unless otherwise directed by the customer.

Option 1: This is the correct answer. According to PMI, if there is any change in the project or product scope, it has to be explained to the customer, who can then make an informed decision.

Option 2: The project manager should not change the project requirements or project documents without prior approval of the sponsor and the customer.

Option 3: This is not the best choice. First the project manager should talk to the customer. Since this is a minor deviation, chances are that the customer might accept the product. If the customer does not accept, then the project team should be asked to rectify the discrepancy.

Option 4: This is not the best choice. First the project manager should talk to the customer. Since the deviation is minor in nature, chances are that the customer might accept the product. If, on the other hand, the customer is not satisfied, then the project manager can direct the team to correct the error and a change request need not be created, as the deviation is minor in nature.

Reference: PMI Code of Ethics and Professional Conduct

Question No : 185

Organizations performing projects will usually divide each project into several project phases to improve management control. This also provides links to the ongoing operations of the performing organization. Collectively, project phases are also called:

Choice 1 Project management life cycle

Choice 2 Project life cycle

Choice 3 Product life cycle

Choice 4 Project phases life cycle

Correct Choice : 2

Justification :

A project life cycle is the series of phases that a project passes through from its initiation to its closure.

Reference: *PMBOK® Guide* - Fifth Edition, page 38

Question No : 186

You are in the process of developing a project charter for your project and would like to use organizational process assets as inputs for the purpose. In this context, which of the following statements about organizational process assets is NOT correct?

Choice 1 Organizational process assets do not include organization communication requirements.

Choice 2 Any and all the process related assets that are used to influence the project's success can be drawn upon from any or all of the involved organizations.

Choice 3 Organizational process assets represent the lessons learned by the company from previous projects.

Choice 4 Organizational standard process, policies, and standardized process definitions are used in the organization.

Correct Choice : 1

Justification :

The organization's processes and procedures for conducting project work include... project closure guidelines or requirements.

The organizational process assets that can influence the Develop Project Charter process include but are not limited to: organizational standard processes, policies, and process definitions, templates (e.g., project charter template), historical information and lessons learned knowledge base, etc.

Reference: *PMBOK® Guide* - Fifth Edition, pages 27, 28, and 70

Question No : 187

Your company is contracting a sub-project to another company. The company which accepts the subproject should:

Choice 1 Use the WBS of a similar project from another client

Choice 2 Create a more detailed WBS for the contracted work from the work package that was contracted

Choice 3 Break down the WBS of the parent project to WBS packages

Choice 4 Use the WBS Dictionaries of the parent project to assign work

Correct Choice : 2

Justification :

The items at the lowest level of the WBS may be referred to as work packages, especially in organizations that follow Earned Value Management practices. These work packages may in turn be decomposed in a subproject work breakdown structure. Generally this type of approach is used when the project manager is assigning a scope of work to another organization. The other organization must plan and manage the scope of work at a more detailed level than the scope of work that was specified in the original project.

Reference: PMstudy.com comments

Question No : 188

In your project, you wish to calculate early start and finish dates for each task. For this purpose, which of the following will you use?

Choice 1 ADM

Choice 2 CPM

Choice 3 GERT

Choice 4 CERT

Correct Choice : 2

Justification :

The critical path method (CPM) calculates the theoretical early start and finish dates, and late start and finish dates, for all activities without regard for any resource limitations, by performing a forward and backward pass analysis through the schedule network.

Reference: *PMBOK® Guide* - Fifth Edition, page 176

PMstudy.com comments: Critical path method (CPM) calculates a single, deterministic early and late start and finish dates for each activity based on specified sequential network logic and a single duration estimate.

Question No : 189

In your construction project, the CPI is 0.85 and SPI is 1.25. What could be the possible reason?

Choice 1 A critical resource went on sick leave for a long period of time, which had not been anticipated earlier.

Choice 2 The cost of raw materials required for construction increased by 10%. You had anticipated a cost increase of 12% in your project plans.

Choice 3 In anticipation of delays, the project was crashed to decrease the duration.

Choice 4 There was four days waiting time in the curing of concrete, and work could not be done during that time.

Correct Choice : 3

Justification :

Option 3: This is the correct answer, because crashing of a project results in decreased duration and increased costs. This verifies the given data on CPI and SPI.

Options 1 and 4: They are ruled out, because they do not verify the given data that $SPI > 1$.

Option 2: This is also ruled out, because it does not verify the given data that $CPI < 1$.

Reference: PMstudy.com comments

Question No : 190

In your organization, 3 sigma quality processes have been implemented. This means that there is a _____% probability that any result will fall within the 3 sigma range.

Choice 1 99.99

Choice 2 99.7

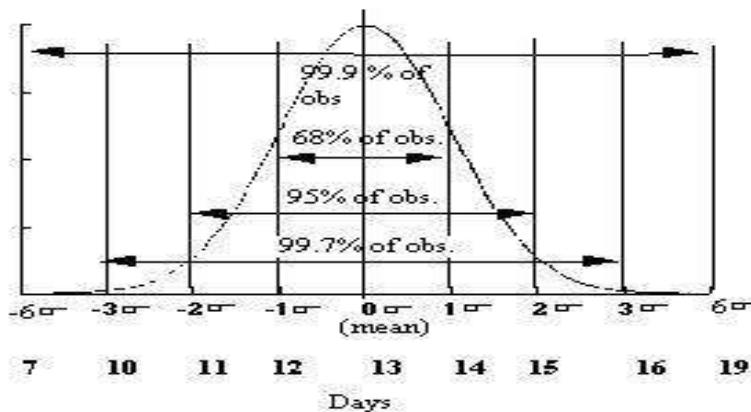
Choice 3 95.4

Choice 4 68.2

Correct Choice : 2

Justification :

A standard normal distribution, which shows standard deviation (or sigma) as distance of the measurement from the mean (target) value:



Question No : 191

Which of the following does NOT refer to power derived from the position of the project manager in the organization?

Choice 1 Penalty

Choice 2 Expert

Choice 3 Legitimate

Choice 4 Reward

Correct Choice : 2

Justification :

Expert and Referent power are examples of personal power that comes from personal qualities to which team members are attracted. Legitimate, Reward, and Penalty power are often referred to as examples of position power, which is directly related to one's position within the organization. The five interpersonal influences are:

Legitimate Power: The ability to gain support, because project personnel perceive the project manager as being officially empowered to issue orders.

Reward Power: The ability to gain support, because project personnel perceive the project manager as capable of directly or indirectly dispensing valued organizational rewards (i.e., salary, promotion, bonus, and future work assignments).

Penalty Power: The ability to gain support, because the project personnel perceive the project manager as capable of directly or indirectly dispensing penalties that they wish to avoid. Penalty power usually derives from the same source as reward power, with one being a necessary condition for the other.

Expert Power: The ability to gain support, because personnel perceive the project manager as possessing special knowledge or expertise.

Reference: Project Management - A Systems Approach to Planning, Scheduling and Controlling; pages 206, 207, and 208

Question No : 192

You have a project team of forty people colocated at Houston, Texas. Email and notes are frequently used to communicate among team members. These are examples of which type of communication?

Choice 1 Written Formal

Choice 2 Written Informal

Choice 3 Oral Formal

Choice 4 Oral Informal

Correct Choice : 2

Justification :

E-mails, notes, etc., are examples of written informal type of communication. More information on forms of communication is given below:

Form of Communication	Characteristics	Examples
Written Formal	<ul style="list-style-type: none">• Precise• Transmitted through the medium of correspondence	<ul style="list-style-type: none">• Project charter, scope statement, project plan, WBS, project status• Complex issues• Contract related communications• Memos
Written Informal		<ul style="list-style-type: none">• Email, notes, letters, etc.• Regular communication with team members
Oral Formal	<ul style="list-style-type: none">• High degree of flexibility• Use the medium of personal	<ul style="list-style-type: none">• Presentations, speeches,• Negotiations

Oral Informal	contact, group meetings, or telephone	<ul style="list-style-type: none"> • Conversation with team members • Project meetings • Break-room or war-room conversations
Non-verbal Communication	<ul style="list-style-type: none"> • About 55% of total communication 	<ul style="list-style-type: none"> • Facial expressions, hand movements, tone of voice while speaking, etc.

Reference:

- Project Management - A Systems Approach To Planning, Scheduling and Controlling, Ninth Edition, page 273.
- PMstudy.com study notes

Question No : 193

Even after carefully performing risk management for the project, you realize that possibility of new risks occurring in the future still exists. You will be able to handle such risks if you perform:

Choice 1 Plan Risk Management

Choice 2 Identify Risks

Choice 3 Control Risks

Choice 4 Plan Risk Responses

Correct Choice : 3

Justification :

Control Risks is the process of implementing risk response plans, tracking identified risks, monitoring residual risks, identifying new risks, and evaluating risk process effectiveness throughout the project.

Reference: *PMBOK® Guide* - Fifth Edition, page 349

Question No : 194

Which of the following statements related to managing different types of procurement contracts is NOT accurate?

Choice 1 In a fixed-price, incentive-fee contract, there is no incentive for the seller to decrease costs.

Choice 2 In a fixed-price contract, there is highest risk to the seller and lowest risk to the buyer.

Choice 3 Fixed price with redetermination retroactive contracts allow for adjusting of contract price after performance has been completed.

Choice 4 Fixed price with economic price adjustment allows for price increases if the contract is for multiple years.

Correct Choice : 1

Justification :

A fixed-price, incentive-fee contract provides for incentive to the seller to decrease costs and increase profits. Both the buyer and the seller share in the risks and savings.

Reference: Project Management - A Systems Approach to Planning, Scheduling and Controlling, page 853

Question No : 195

You are in the process of identifying the relevant stakeholders in the project. In this context, which of the following are relevant output(s) of the process?

Choice 1 Stakeholder register

Choice 2 Project document updates

Choice 3 Organizational process assets updates

Choice 4 Stakeholder register and project document updates

Correct Choice : 1

Justification :

Stakeholder register is the only output of the Identify Stakeholders process.

Reference: *PMBOK® Guide* - Fifth Edition, page 392, figure 13-1

Question No : 196

Your friend requests you to lend him your accounting package software CDROM to install the software in his computer. You should:

Choice 1 Give him the software for free

Choice 2 Give him the software and charge some money for it

Choice 3 Refuse to give him the software

Choice 4 Report the copyright violation to the copyright owner of the software package

Correct Choice : 3

Justification :

Software is an intellectual property (like a book, article written, etc.) and should not be distributed without prior license/approval. So, option 3 is the best answer.

Options 1 and 2 talk about distribution of the software, which is not an accepted professional conduct. Option 4 is not valid: Your friend has not started using the software. Hence there is no copyright violation.

Reference: PMstudy.com comments

Question No : 197

You are the project manager in a company, which has a balanced matrix organizational structure. Who do you report to?

Choice 1 Functional Manager

Choice 2 Program Manager

Choice 3 Chief Project Manager

Choice 4 Portfolio Sponsor

Correct Choice : 1

Justification :

The project manager reports to the functional manager in a balanced matrix organization. Also, please refer to *PMBOK® Guide* - Fifth Edition, page 24 (figure 2-3).

Reference: PMstudy.com comments

Question No : 198

Which of the following is not related to the Direct and Manage Project Work process?

Choice 1 Manage sellers and suppliers

Choice 2 Create project deliverables to meet the planned project work

Choice 3 Implement the planned methods and standards

Choice 4 Change control tools

Correct Choice : 4

Justification :

Change control tools is a technique used in Perform Integrated Change Control process.

The activities performed during the Direct and Manage Project Work process include, but are not limited to manage sellers and suppliers, create project deliverables to meet the planned project work, implement the planned methods and standards, etc.

Reference: *PMBOK® Guide* - Fifth Edition, pages 80, 81, and 94 (figure 4-10)

Question No : 199

You have recently joined as the project manager of ABC Company. You notice that the customers are getting frequent change requests implemented by informally approaching the team members. This has resulted in work disruption and discontent among team members. What should be your FIRST priority to remedy the situation?

Choice 1 Create a detailed project scope statement

Choice 2 Align the project objectives with the organizational goals

Choice 3 Ensure proper project scope control

Choice 4 Call a meeting of all the project stakeholders to resolve any outstanding issues

Correct Choice : 3

Justification :

Controlling the project scope ensures all requested changes and recommended corrective or preventive actions are processed through the Perform Integrated Change Control process. Control Scope is also used to manage the actual changes when they occur and is integrated with the other control processes. The uncontrolled expansion to product or project scope without adjustments to time, cost, and resources is referred to as scope creep.

Reference: *PMBOK® Guide* - Fifth Edition, page 137

PMstudy.com comments: Option 1: The project scope statement should already be prepared since the project is in execution stage.

Option 2: Aligning the project objectives with the organizational goals happens in initial stages of the project, i.e., when the project charter is being created.

Option 3: This is the correct answer. Usually, if there is no proper project scope control, there might be scope creep, reprioritization of activities and discontent among team members who do not know what each person is supposed to be doing. Had the change requests been routed through the project manager and the Perform Integrated Change Control process, the scope creep would not have arisen.

Option 4: Calling a meeting will not resolve the outstanding issues related to scope creep and will not ensure proper project scope control.

Question No : 200

In your project, you prefer bar charts over project network diagrams for the purpose of:

Choice 1 Making presentations to the middle management

Choice 2 Determining the critical path of the project

Choice 3 Determining the start and finish dates for each activity

Choice 4 Determining the critical path of the project and start and finish dates for each activity

Correct Choice : 1

Justification :

Bar charts are relatively easy to read and are frequently used in management presentations.

Reference: *PMBOK® Guide* - Fifth Edition, page 182

PMstudy.com comments: Milestone charts are used to make presentations to senior management, but bar charts are usually used to make presentations to middle or junior management.