Questions

Question - 1

Joel is managing a project. The project is about three fourths done when the site engineer reports that due to inherent complexities in a certain task the deliverables would get delayed. This would involve additional analysis and then implementation. He requests that this new work that was not envisioned earlier be added to the scope and also the time required be added to the schedule. You and the site engineer have analyzed the impact of this change to cost, and have written up a change request and requested approval from change control board. Just today you have received approval from the change control board - what should be the immediate course of action?

A. Start work immediately

B. Ascertain the impact of this change to scope, schedule and cost before making any change.

C. Manage Quality

D. Make sure that the scope baseline and schedule baseline are updated to reflect the approved change before implementing the change.

D is the correct answer.

As the change has been approved you should always update the baseline (in this case the scope and schedule baseline) before implementing the change. This will ensure that you track performance against the new scope and schedule and not the old benchmarks.

Question - 2

You are in charge of managing a software development project which is related to simulations for driving racing cars. In one of your team meetings - it has been reported that a lot of issues have been reported in the air tunnel modelling module. On deeper analysis - it is found that many of the issues could have been prevented had a simple code review checklist been used. You prepare a code review checklist and ensure the code is reviewed as per the
checklist. This is a good example of:

A. Corrective Action
B. Preventive Action
C. Defect Repair
D. Quality Control

A is the correct answer.

This question is meant to test your understanding of the difference between what corrective action and preventive action is. Defect repair might sound tempting - but it is only applicable for the issues found for the current delivery. This is also not about Quality Control - so that leaves us with only two options - Corrective or Preventive actions. Corrective actions are always preceded by nonconformity while preventive actions are never preceded by nonconformity. In this case nonconformity in the form of a lot of issues during Quality Assurance were reported. The root cause was identified to be the need of a standard checklist which was then used. Preventive action is always taken proactively - in the question stated there is no demonstration of any proactive steps taken - hence this is not an example of Preventive action. The correct answer is option A - Corrective action.

Question - 3

Which of the following statements are not true regarding Network Diagrams?:

A. Network Diagrams determine risks and causes of issues as they occur.
B. Network diagrams are used to show interdependencies of all activities.
C. Network diagrams depict the workflow so everyone knows the sequence in which activities need to be performed
D. They help plan, organize and control the project and can help track schedule progress

A is the correct answer.

The correct answer is A - All the other statements are valid regarding Network Diagrams.

Question - 4
Which of the following is part of the Manage Quality process?

A. Benchmarking
B. Cost of Quality
C. Design of experiments
D. Quality audits

D is the correct answer.

Quality audits are part of the Manage Quality process.

Question - 5

You are the project manager for a Project. You are updating the WBS during Define Activities, which is often called ________?

A. Refinements
B. Updates
C. Activities
D. Supporting detail

A is the correct answer.

A is the correct answer. updating the WBS during Define Activities, is often called Refinements. It occurs with riskier projects.

Question - 6

The Project Quality Management process must ________.

A. Address the quality of the management and product
B. Improve the project management and the quality of the product
C. Ensure that the project satisfies customer requirements
D. All of the above

D is the correct answer.

Project Quality Management: Addresses both the management of the project and of the product of the project, Improves project management as well as the quality of the product, Delivery of both high quality and high grade of product, Quality is planned in, not inspected in, Ensures that the project will satisfy customer requirements.

Question - 7

You are a project manager of a company and your project is currently in execution phase. The customer has requested you for additional work. This work will affect the budget, but not the schedule of the project. What should you do next?

A. Add the additional requirements to the project plan.

B. Ignore the request.

C. Explain the change procedure and ask to submit a request for change.

D. Discuss with the project team about the change.

C is the correct answer.

Explain the change procedure and ask to submit a request for change is the best choice.

Question - 8

You are the project manager and have decided to outsource a part of the project to a vendor. You have offered a bonus to the vendor if the work is completed in two months. This is an example of _____________.

A. project incentive

B. project goal

C. fixed price contract

D. None
A is the correct answer.

This is an example of project incentive.

Question - 9

You have replaced an earlier project manager in a project. The earlier project manager has left the organization and you are now responsible for the project. On reviewing the project management plan you are disturbed because a number of procurement contracts have been signed and they all turn out to be Cost plus fixed fee types of contracts - why are you worried?

A. All the risk is now with the seller
B. Contracts should always be T and M
C. Seller has no motivation to control cost and in fact cost could spiral
D. Contracts should always be Fixed Price

C is the correct answer.

As a project manager - you indeed have a reason to be worried if your project has already signed off on Cost Plus Fee type of contracts. This is because in such contracts - you the buyer needs to pay the seller for all the costs and in addition an agreed percentage of the cost. As a result there is no motivation on the seller to control the costs - in fact it is in the interest of the seller to increase the costs. It is not necessary that all projects should always be T and M or Fixed Price. Option A is clearly wrong since all the risks are in fact with the buyer not the seller! The correct answer is Option C

Question - 10

Your team is in its second month of development. You are managing a software development project for a banking product. In one of the team meetings a debate arises if defects found during Quality control need to undergo change control. Some team members are convinced that all defects should undergo change control while the other half is convinced that defects do not need to undergo change control. Which of the following statements are untrue?

A. Defects to deliverables need to undergo change control
B. Defects to deliverables need not undergo change control
C. Corrective actions need to undergo change control
D. Preventive actions need to undergo change control

B is the correct answer.

Defects to deliverables, corrective actions and preventive actions - all of these need to undergo change control. So all the above statements are true except option B

Question - 11

You are responsible for managing a project that deals with laying out a freeway connecting two major port cities. Progress on the project has been smooth and you and your team are very confident on completing the project well within the stipulated timelines. On reviewing you see that the project has also run below the budget resulting in savings. You decide to add an extra feature of reflector strips on the road every mile. You do a quick calculation and are satisfied that neither budget nor schedule will slip. You feel that by adding these extra features you could also bag some future projects as well. This is an example of:

A. Scope Creep
B. Gold Plating
C. Integrated Change Control
D. Fast Tracking

B is the correct answer.

This is an example of Gold Plating. Integrated change control deals with formally approving or rejecting changes before they are implemented so it is not the correct answer. Fast tracking is a schedule compression technique - so it too is not the correct answer. While Scope Creep is related to change in scope it is related to uncontrolled changes in product or projects scope and is often due to client interference. Gold plating is done intentionally or knowingly for some strategic purpose. Here the manager believes that by adding the extra features future projects could be bagged.

Question - 12

You are in charge of a project that deals with laying out a lavish 18 hole golf course. The project work is in progress. You also have a number of contractors working on the project. Being an experienced manager you know that communication is key to success of the
project. You have identified 10 stakeholders with whom you need to communicate. Due to some internal and external organizational changes at the client end three new stakeholders have been added with whom you need to communicate with. You also had to reduce one of the contractors with whom you were communicating. How many communication channels do you have now?

A. 45
B. 78
C. 91
D. 66

D is the correct answer.

Originally you had 10 stakeholders to communicate with - so number of communication channels were $10 \times (10-1)/2 = 45$. However the question states that 3 new stakeholders got added while 1 stakeholder got reduced. So total number of stakeholders = $10 + 3 -1 = 12$ So the total number of communication channels are $(12 \times (12-1))/2 = 66$ So the correct answer is option D.

Question - 13

You are in charge of a project and to ensure things go well - you have had monthly meetings with the stakeholders. The project is running on schedule and budget. You are in your fourth month of execution - but the stakeholder indicates dissatisfaction with the deliverables. To make changes in the deliverables would mean a delay in the schedule. What would have been the most important process that could have prevented this situation?

A. Scope Planning
B. Scope Control
C. Schedule Control
D. Risk Monitoring and Control

A is the correct answer.

The most important process that could have prevented this situation would have been - Scope Planning. Project deliverables are defined during scope planning so proper implementation of this process could have prevented this situation.
Question - 14

The project that you are in charge has been successfully completed. The last of the deliverables have been formally accepted by the client. You had several contractors with whom contracts were prepared. With the project done you decide to communicate the completion details and closure of contracts. Which is the best form of communication?

A. Formal written
B. Formal verbal
C. Informal verbal
D. Informal written

A is the correct answer.

As this is related to a contract it must be a formal written form of communication. Any other form of communication related to contracts is not acceptable.

Question - 15

Your company has bagged a number of government contracts dealing with setting up infrastructure. This includes setting up roads and bridges. This is a very big and prestigious project so your company would like to ensure everything is planned well in advance. You are the project manager of this project. Considering its importance - you and your team come up with a list of risks. One of the subject matter experts indicates that during the months of July and August the construction work of the bridge across the river would need to stop on account of past history of flooding of the river. You agree with the expert and plan the schedule accordingly. What strategy did you just apply?

A. Accept
B. Exploit
C. Mitigate
D. Transfer

A is the correct answer.
This is an example of Risk acceptance strategy as there is nothing you can do about situations not in our control. Exploit is meant for positive situations while risk mitigation is where you have a strategy to either reduce the risk impact or probability. Neither is transfer correct as the question does not state that someone else will be responsible for handling the risk.

Question - 16

You are in the process of defining activities and have broken down the WBS into individual activities. You now decide to uniquely tag each activity with a unique code. So here what you have done is defined an ___ for each Activity

A. Schedule Network Diagram
B. Activity List
C. Milestone List
D. Activity Identifier

D is the correct answer.

The correct option is D - Activity Identifier. The question states that we have decided to uniquely tag each identified activity - which is nothing but Activity Identifier. This is done during creation of the Activity List.

Question - 17

You are managing a project that has teams located in different parts of the world. While the advantage of colocation is beneficial - the team structure or locations cannot be changed. Being an experienced manager that you are - you realize that without a proper communication channel can quickly lead to chaos. What would your choice of communication be?

A. Formal and Verbal
B. Formal and Written
C. Informal and written
D. Informal and Verbal

B is the correct answer.
Considering cross located teams and difference in cultures involved the best choice of communication in this case would be formal and written.

Question - 18

Rather than use Triangular Distribution while doing Three Point Estimation you choose to use Beta Distribution. Based on your analysis and understanding you are confident that the project would be completed with a total cost of 108,000 $. You also estimate that a best case estimate would be 90000 $ while a worst case scenario would result in the costs incurred to shoot up to 138000 USD. What would the Three point Cost estimate be using Beta Distribution?

A. 112000 $
B. 110000 $
C. 101000 $
D. None of the above

B is the correct answer.

The correct answer is B. The question states we should use Three point estimate using Beta distribution. The formula for this estimation technique is $4a + b + c / 6$ where $a$ = Most Likely estimate, $b$ = Estimate based on Best case scenario and $c$ = Estimate based on Worst case scenario. So the Three point estimate using Beta distribution is $(4 \times 108000) + 90000 + 138000 / 6 = 660000/6 = 110000$ $

Question - 19

You are developing strategies to effectively engage stakeholders throughout the project life cycle. What is process you are working on?

A. Plan Stakeholder Engagement
B. Identify Stakeholders
C. Manage Stakeholder Engagement
D. Monitor Stakeholder Engagement

A is the correct answer.
Plan Stakeholder Engagement is the process to develop a strategy to effectively engage stakeholders throughout the project life cycle.

Question - 20

You head the engineering department in your company. Lately you have observed that certain deliveries are missing the schedule. On closer scrutiny you observe this to be occurring with a specific team member. You decide to discuss it out with the team member. Initially the team member is reluctant to discuss but finally opens up and indicates that the cause of the delays is often different instructions coming in from you as well as the project manager. She indicates that at such times she is confused related to whose instructions to follow - thereby causing delays - what kind of an Organizational structure is this most likely to be?

A. Functional
B. Projectized
C. Weak Matrix
D. Balanced Matrix

D is the correct answer.

Here the team member is being expected to follow instructions from both the Project Manager and the Functional Manager. This is never the case in a Functional or Projectized organization where the lines of authority are clearly defined. A weak matrix organization is more like a Functional Organization where the project manager has almost no authority. The scenario explained above is typical of a balanced matrix organization where power resides equally distributed between the functional and project manager. Here the correct answer is Option D - Balanced Matrix

Question - 21

The release criteria includes:

A. the timing of the release of team members
B. the method in which you will release them
C. Both of the above are true
D. None
C is the correct answer.

C is the correct answer. The release criteria include both the timing of the release of team members and the method in which you will release them.

Question - 22

As a project manager you have successfully delivered all project deliverables within stipulated timelines - your senior management wants you to calculate the Cost of Quality - as a project Manager what costs would you NOT consider while making this calculation?

A. Cost of Hiring.

B. Prevention costs.

C. Appraisal costs.

D. External and Internal Failure costs.

A is the correct answer.

All of the above are correct - except option A - since Hiring Costs have nothing to do with Cost of Quality. Prevention and Appraisal Costs are the expenditures during the project to AVOID failures while Internal and External Failure Costs are those incurred during and after the project BECAUSE of failures.

Question - 23

You and your team have just created a schedule network diagram. You have come up with the estimates and have defined the durations and subsequently have identified the Critical Path. You now decide to do a 'Backward Pass' through the Schedule Network Diagram - what would you be calculating?

A. The Early Start and Early Finish for each activity

B. The Late Start and Late Finish for each activity

C. The duration of the other paths

D. The duration of the critical path
B is the correct answer.

The correct answer is - B. Option C and D are incorrect as the Backward Pass is not used to calculate the duration. In fact, based on duration the critical path is calculated. Option A talks about Early Start and Early Finish - which are calculated using 'Forward Pass'. Using 'Backward Pass' - we calculate the Late Start and Late Finish of all the activities in the network diagram.

Question - 24

Of the following types of contracts - which has the HIGHEST risk for the seller?

A. Cost plus fixed fee - CPFF
B. Time and Material - T and M
C. Firm Fixed Price Contract - FFP
D. Cost plus Incentive fee - CPIF

C is the correct answer.

The riskiest for the seller in the options stated above is - Firm Fixed Price Contract - FFP. This is because its a Fixed price contract in which total costs are fixed - the scope of work is clearly defined and stated. Cost-reimbursable contracts are the least risky for the seller since the costs are not fixed and paid at actuals. Time and material have medium risk from the perspective of the buyer and seller and are typically used for smaller dollar amounts. The correct answer is option C.

Question - 25

What is the BEST use of a Work Authorization System?

A. It manages the timing and sequence of when activities need to be performed
B. It manages who performs the activity
C. It identifies the resources needed to complete activities
D. It is used for comparing actual work against the baselines

A is the correct answer.
A is the correct answer.

It defines how work will be authorized and how work will be done at the right time and in the right sequence. Option B is not correct since who performs the work comes from the responsibility assignment matrix and neither is option C the right answer. Option D is related to monitoring and controlling work performance data which is not covered by Work Authorization System - so - option A is the correct answer.

Question - 26

You are in charge of a software project and you are almost 40% complete. The project stakeholders want a performance report to date. You had planned to use Earned Value Management methodology. You come up with the following numbers: EV = 100 AC = 300 PV = 150 BAC = 600 You and your team have faced numerous issues till now. However you choose to ignore the current work performance and decide to go with what was originally planned. Based on this information what would be the EAC for the project?

A. 800
B. 200
C. 600
D. 1800

A is the correct answer.

The correct answer is A - this is because here it is stated that whatever issues or lack of them experienced in the project were ignored - so here the past performance is not considered while the planned values are considered. So the formula: EAC = AC + ( BAC - EV ) = 300 + ( 600 - 100 ) EAC = 800

Question - 27

Your team has delivered phase one to the client. Based on client feedback and issues found by client - you decide to do some introspection to identify root causes so that the subsequent deliverables do not face the same issues. What techniques would you choose to apply?

A. Perform Quality Audits
B. Review Activity Network Diagrams
C. Lookup Process decision program charts

D. Process Analysis

D is the correct answer.

Quality Audits are meant to ascertain if the project activities confirm to the policies and procedures - so it is not the correct answer. Activity Network diagrams are used for scheduling while Process decision program charts are used to anticipate intermediate steps. The correct answer is Process Analysis - which is used to identify a problem, identify the cause of the problem and develop preventive actions.

Question - 28

Over lunch you meet a colleague who is managing a large turnover project for setting up a chemical plant. Your colleague is worried because the client is being unreasonable and asking for changes that will have a severe impact to the scope schedule and also cost. The client is also not ready to absorb the additional impact to schedule and cost. She seeks your advise - what should she do?

A. Refuse to budge and not make any changes

B. Request her executive management to initiate legal action against the client

C. Ultimately the customer is always right - so go ahead and make the changes and absorb the impact to cost, schedule and scope

D. Set up a meeting with the client to better understand the need of the changes being asked for

D is the correct answer.

Why is the client being unreasonable? Why does the client want to make these changes?
Obviously your colleague is in a tough situation and not in a nice place to be. However tough the problem - a project manager must not act impulsively by seeking legal action or refuse or immediately start making the changes. Whenever faced with a problem a project manager should first try and find the root cause and not react. So in this case the best advise would be for your colleague to set up a discussion with the client and try and understand the needs of the client for asking for the change is causing

Question - 29
You are managing a project to set up a brand new play area for the community. You and your team have been working as per plan and things are moving smoothly. Suddenly one of the stakeholders indicates that the play area must also include a sand pit. This was not originally planned for so you analyze the impact to the cost, schedule, and scope. You then submit the change request to the Change control board for their approval. You have immediately received an approval - what should your next step be?

A. Get the work done immediately and start executing

B. Update the impacted baselines - scope, cost, and schedule

C. Update the work performance reports and share with stakeholders

D. Setup a meeting with the change control board

B is the correct answer.

Once you have created the change request and submitted for approval - you don’t need to set up a separate meeting with the change control board - unless asked for. Work performance reports will be shared as per agreed frequency - however it is irrelevant to the question. You might be tempted to jump in and start work immediately - but the first thing that should be done is to update the impacted baselines. In this case all the three baselines - this is necessary to ensure that performance information is tracked against the new baselines and not the old ones - the correct answer is option B.

Question - 30

As a project manager - you are expected to calculate the cost of Poor Quality - the project work is in progress - what costs would you consider?

A. Cost of Hiring.

B. Prevention costs.

C. Appraisal costs.

D. External and Internal Failure costs.

D is the correct answer.

Cost of Hiring has nothing to do with cost of Poor Quality - so it is not the correct answer. Cost of Poor Quality is just another term for Failure Costs. Failure Cost is generally categorized into External and Internal Failure costs - so option D is correct. Prevention and Appraisal costs are actually costs of conformance - which is the cost incurred to avoid failures - so these are not considered as cost of Poor Quality.
Question - 31

You are in charge of building a bridge across a river. All the initial groundwork and structural designs have been completed and work is in progress. You know that the next two months will be particularly critical involving some critical activities such as Arc welding of stiffener plates. You know your company employs welders who specialize in this kind of work. However you are apprehensive regarding their availability for the next two months. What should you refer to first to find if these welders are available for the next two months?

A. Milestone List
B. Pareto Chart
C. Histograms
D. Resource Calendars

D is the correct answer.

The correct answer is - Resource Calendars. Resource Calendars provide information regarding availability of resources and also the duration of their availability so referring to this document would be the first course of action.

Question - 32

You and a group of managers who conduct a weekly meeting for sharing information and project management best practices. Joe who is a colleague of yours explains the need of correctly identifying all the project stakeholders. He explains that in his current project he has made use of Stakeholders Engagement Assessment Matrix. Many of the other colleagues are not quite aware of the need and usage of this matrix - which of the following is the BEST choice?

A. Lists all the stakeholders along with their current engagement and desired engagement
B. Lists all the stakeholders
C. Lists only those stakeholders who are Resistant
D. Lists only those stakeholders who are Supportive

A is the correct answer.
As the name suggests this document is used to identify the current engagement level of project stakeholders. It can also be used to indicate desired level of engagement. Through this analytical process gaps in engagement levels can be identified and action plans and communication plans can be generated to bridge these gaps. The Stakeholder Engagement Assessment Matrix does not list stakeholders depending on their engagement level - so options C and D are clearly wrong. While you might be tempted to choose option B - since we do list down all the stakeholders in a matrix in this document - the better and more qualified answer is Option A - where along with the complete list of stakeholders we also indicate their current and desired engagement level.

Question - 33
Your company policy allows you to gift customers within certain limit. By mistake, you have given a gift to the customer's representative already which is beyond the limit mentioned in your company policy. What should you do?

A. Forget it and don't tell anyone.
B. Contact your company's senior management and ask for assistance.
C. Ask your customer to return the gift.
D. Ask your customer to give you a gift which has the same cost

B is the correct answer.
Best option is to contact your company's senior management and ask for assistance.

Question - 34
Earned Value Analysis is used to measure performance based on following parameters:

A. Scope and Cost
B. Scope and Schedule
C. Scope, Cost and Schedule
D. Cost and Schedule

C is the correct answer.
The correct answer is - C - Earned Value Analysis is performed based on Scope, Schedule and Cost.

Question - 35

Which of the following statements are not true regarding Scope Verification?

A. Consists of conducting inspections, reviews and audits.
B. Used to determine if results conform to requirements
C. Used to get formal sign off from clients
D. Used to determine schedule variance

D is the correct answer.

All the options except schedule variance are true regarding scope verification. Note that this process can also be done at the end of each project phase in the project lifecycle. So the correct answer to the question is option D since scope verification has nothing to do with schedule variance.

Question - 36

What is the purpose of fishbone diagram?

A. To illustrate how various factors might be linked to potential problems or effects
B. Are used to determine if the process are in control
C. Show trends in a process over time
D. Shows the pattern of relationship between two variables

A is the correct answer.

Fishbone diagram: To illustrate how various factors might be linked to potential problems or effects.
Question - 37

Which of the following best describes Vroom's Expectancy theory?

A. Employees will put in efforts dependant on expectancy, valence, and instrumentality

B. Employee motivation is not achievable - employees must be forced to get things done

C. Hygiene factors will ensure that job dissatisfaction not occur - however it does not ensure job satisfaction

D. People have needs starting with Physiological Needs and ending with self actualization

A is the correct answer.

Vroom's Expectancy theory is based on the idea that people believe there are relationships between the effort they put in at work, the performance reviews/ratings they are credited for the effort, and the rewards they receive from their effort and performance review ratings. So people will be motivated if they believe that hard work and effort will lead to good performance reviews and good performance reviews will lead to desired rewards. This theory consists of three key elements: Expectancy - Perception of employee of how much and what amount of effort will lead to a desirable performance rating. Instrumentality - Perception or expectation that a good performance rating would translate into a hefty salary hike. Valence - Preference of an employee for a certain reward. Option B is clearly unrelated to this theory - so it is not the correct answer. Option C is related to Herzberg's Hygiene theory - so it too is not the correct answer. Option D is talking about Maslow's Theory of Hierarchial needs - so again not the correct answer. Option A is the correct answer.

Question - 38

You are managing a project that your company won after making a bid. The clients have negotiated long and hard and have driven a hard bargain. The project is scheduled to span over eight months and you are in your fifth month of execution. You are extremely worried since you have about four more months of work remaining and the project is at the 'Point of total assumption' - what does this mean?

A. As a seller you are running behind schedule

B. As a seller you are ahead of schedule

C. The project is going to have a cost overrun which will need to be negotiated with the client

D. As a seller all subsequent costs will have to be borne by the seller

D is the correct answer.
The point of total assumption is the point at which the seller has consumed all the fees and will now bear the costs. This means that the project is a firm fixed price contract and seller has consumed all the contract fees and is forced to shill out money which is a loss. Since point of total assumption is applicable to firm fixed price contract - option C is not an option where seller can negotiate with the buyer for additional cash flow. The correct answer is option D.

Question - 39

You are managing a project which involves building software for the aeronautical domain. The nature of the work is complex and needs a lot of research. During Quality assurance both the development team and testing team suggest that the quality assurance process be changed to also include White Box testing and not only rely on Black box testing. The team wants to make this shift in approach as they believe this would lead to better quality of deliverables - what is the best course of action?

A. As the changes will help improve quality - execute white box testing
B. Create a change request
C. Refuse to adopt this change as this would mean a change in agreed process
D. Analyze the impact of the change to scope, schedule and cost and then write up a Change Request

D is the correct answer.

This is a question meant to test your understanding of change management. Any change however small or big should always be first analyzed for its impact to the constraints - scope, cost and schedule and then should be submitted to change control for approval. Changes without formal approval should not be implemented.

Question - 40

The Scope Baseline consists of the following:

A. Approved Project Scope Statement, WBS, WBS Dictionary
B. Preliminary Project Scope Statement, Approved Project Scope Statement, WBS, WBS Dictionary
C. Scope Management Plan, WBS, WBS Dictionary
D. Scope Management Plan, Approved Project Scope Statement, WBS Dictionary
A is the correct answer.

The correct answer is A.

Question - 41

You are the project manager and decided to outsource a part of the project to a vendor. The vendor discovered some issues that impact the cost and schedule of its work. How does the vendor update the agreement?

A. A new contract needs to be signed by your company and the vendor

B. A contract addendum needs to be signed by your company and the vendor

C. An SOW needs to be signed by you and the vendor

D. None of the above

B is the correct answer.

A contract addendum needs to be signed by your company and the vendor.

Question - 42

As a manager on a project your key outlook is to ensure that the project delivers within the scheduled timelines with minimal rework and customer delight. For some time now the project work is proceeding smoothly with a CPI and SPI a perfect 1. One of your team members approaches you and indicates that she might possibly need a long vacation on personal grounds. She indicates this could possibly occur in two months from now. You look up the schedule and as luck would have it - this team member happens to be scheduled to execute activities which are on the critical path - and her absence in two months time would cause a delay in schedule. You decide to take some action and reschedule task allocation to ensure that this team member is not planned to work on any of the critical path activities. What did you just do?

A. Mitigate the risk

B. Avoid the risk

C. Transfer the risk
D. Exploit the risk

B is the correct answer.

You have avoided the risk where by interchanging the tasks you have ensured that the resource who could go on a long vacation does not work on critical path activities. There is no question of exploiting the risk as this is not a positive risk. This is not a case of Risk mitigation since neither have you created a backup plan nor have you come up with an alternate strategy - so the correct answer is Risk avoidance - option B

Question - 43

You are in the process of executing a project that deals with laying out electrical cables connecting two cities. You have been reporting progress on a monthly basis. In this month due to unplanned vacations many of the staff have not turned up at work. This has caused a delay in the schedule. You decide to check if the schedule variance is within the allowable threshold - what document should you refer to?

A. Project Management Plan
B. Schedule Management Plan
C. Project Schedule Network Diagram
D. Activity Definition

B is the correct answer.

The correct answer is Option B - the acceptable schedule variances are defined in the Schedule Management Plan.

Question - 44

Which of the following activities is not performed as a part of Project Closure?

A. Ensure all the deliverables as per contract are met
B. Create lessons learned and update Organizational Process Assets
C. Formal acceptance
D. Verify scope
D is the correct answer.

All the options except Verify scope are performed during project closure. Ensuring deliverables meet contract requirements and formal acceptance are key activities of project closure. Lessons learned is also a very important activity performed during project closure. However Verify scope is not performed during project closure - rather it belongs to the Monitoring and Controlling process group.

Question - 45

Of the following types of contracts - which has the HIGHEST risk for the buyer?

A. Cost plus fixed fee - CPFF
B. Time and Material
C. Firm Fixed Price Contract - FFP
D. Fixed Price Incentive Fee Contracts - FPIF

A is the correct answer.

The riskiest for the buyer in the options stated above is - Cost plus fixed fee. This is because it's a Cost-reimbursable type of contract in which total costs are unknown - so there is an element of risk involved as total scope of work is not clear. Time and material have medium risk from the perspective of the buyer and are typically used for smaller dollar amounts. Of the options the Fixed price options are the least risky for the buyer since the cost will not change no matter what for the buyer! The correct answer is option A

Question - 46

You are in charge of building a shopping portal. You are fairly confident as you have a team experienced in doing such work. As per the agreement at the end of the first month you organize a demonstration of the software. You invite the sponsor and key stakeholders. Later the sponsor informs you that she is not very happy with the progress indicating that one of the clients who would be using this software is not satisfied as her needs are not being met. To satisfy this client's needs would mean some radical changes with an impact to both cost and schedule. What could be the root cause of this issue?

A. Deliverables were not as per requirement
B. The stakeholder is making unrealistic demands

C. The scope statement was ambiguous leading to this

D. All the stakeholders were not identified

D is the correct answer.

The correct answer in this case is improper stakeholder analysis - Option D. While options A, B and C could be true the question gives no indication of these being the case. The question does mention about an important client whose expectations were not met. Stakeholder analysis deals with identifying all the stakeholders, their needs and expectations and their influence. In this case as the client's needs are not being met - it means that stakeholder analysis and identification was not done correctly.

Question - 47

Top-down estimating is also called _______ estimating.

A. Analogous
B. Primary
C. Organizational
D. Simple

A is the correct answer.

A is the correct answer. Top-down estimating is also called Analogous.

Question - 48

The _________ is the international organization that controls the standards for quality.

A. ISO
B. PMP
C. PMI
D. ISClI
A is the correct answer.

The ISO is the international organization that controls the standards for quality.

Question - 49

Your company has won a large project for one of the fund houses to administer their funds. The project work has been going on smoothly and the customer has been singing praises about the work done so far. The client has planned a visit the next month to go over the plans for the next phase of the project as well as to meet with the project team. Your senior management realizes that this client could potentially need additional capabilities in the derivatives segment. Your company happens to have a strong exposure to this segment having executed numerous such projects. Your senior manager also invites key managers from the derivatives segment to showcase the organization's abilities in the derivatives vertical - this is an example of?

A. Mitigating the risk
B. Avoiding the risk
C. Transferring the risk
D. Exploiting the risk

D is the correct answer.

This is an example of exploiting the risk. As the question states the client is happy with the work progress and also there might be an opportunity that the client might be interested in the derivatives segment. So this is an opportunity that could lead to more business. By inviting key managers from the other segment - you are enhancing the possibility of generating additional revenue - so this is an example of exploiting the risk. Note that this is a positive risk.

Question - 50

Project Team has created sub plans for each activity in project plan. These plans are called:

A. resource plans
B. activity plans
C. sub plans
D. management plans

D is the correct answer.

D is the correct answer. These plans are called management plans.

Question - 51

You are in your third month of project execution which is expected to continue for a duration of 14 calendar months. Your sponsor has asked for a performance report. You decide to create a S curve. Based on the S curve you report your Actual Cost which is more than the Earned Value. Also the Planned Value is greater than the Earned Value. What would be the interpretation of this data?

A. The project is over budget and behind schedule
B. The project is on schedule and on budget
C. The project is over budget but on schedule
D. The project is on budget but behind schedule

A is the correct answer.

The correct answer is A - this is because the SPI is less than 1 and the CPI is also less than 1.

Question - 52

You have been asked to provide Cost estimates for a project which would be responsible for the complete electrical installation in warehouses. As a project manager - you have had past experience in similar projects in your previous organization. The organization you have joined - also has recently done a similar project - and there is an urgency in providing the estimate as mandated by executive management - so what estimation technique would you adopt?

A. Ask your prior organization for the estimates
B. Use Parametric Estimating technique
C. Use Bottom Up Estimating
D. Analogous Estimates
D is the correct answer.

The correct answer is Analogous estimates - since it relies on previous similar project as the basis of estimation - which is available - so it relies on historical information. This technique is used when there is limited amount of detailed information like during early phases of the project, it is less costly and less time consuming - and as time is a constraint stated in the question - this is the best choice.

Question - 53

You are a project manager managing a project that has not been making good progress. Certain issues like a flash flood have significantly delayed the laying out of the plinth for the shopping complex. There have been a lot of escalations from key stakeholders and executive management is pressing for getting the project on track. In a review meeting - your lead architect sensing the urgency - suggests a change that could significantly decrease the schedule. She is very confident that the suggested change will work to get things on track. As a project manager what is the best course of action?

A. The project is lagging - so implement the change request as it would reduce the schedule
B. Reject the idea of making the change as this will need an approval from change control
C. Create a change request and submit to change control board
D. Identify the impact of the change to the scope and cost and then include this information in the change request

D is the correct answer.

No changes should be made without a formal approval - so option A is clearly wrong. Rejecting ideas without doing a thorough analysis of the impact is also not the correct approach. Now the option of creating a change request and submitting for approval sounds like the right option - however the better approach is to always do an analysis of the impact to scope, time and cost and then submit the change request. So while option C is correct the better option is D

Question - 54

You are in charge of managing a software development project which is related to simulations for driving racing cars. In one of your team meetings - it has been reported that a lot of issues have been reported in the air tunnel modelling module. On deeper analysis - it is
found that many of the issues could have been prevented had a simple code review checklist been used. You decide to mandate usage of the code review checklist for all subsequent deliveries to ensure other deliveries are less issue prone. This is a good example of:

A. Corrective Action
B. Preventive Action
C. Defect Repair
D. Quality Control

B is the correct answer.

This question is meant to test your understanding of the difference between what corrective action and preventive action is. Defect repair might sound tempting - but it is only applicable for the issues found for the current delivery. Here the question also states some additional steps being mandated (code review for all subsequent deliveries). This is also not about Quality Control - so that leaves us with only two options - Corrective or Preventive actions. Corrective actions are always preceded by nonconformity while preventive action is never preceded by nonconformity. In this case nonconformity in the form of a lot of issues during Quality Assurance were reported. The root cause was identified to be the need of a standard checklist which was then used. This would have been a case of Corrective action had no other actions been taken other than usage of the code review checklist for the current delivery. In addition a decision was taken to use the checklist for all subsequent deliveries - to ensure the same issues did not occur - Preventive action is always taken proactively - here mandating usage of code review checklist for other deliveries is a demonstration of proactive steps taken - hence this is an example of Preventive action. The correct answer is option B - Preventive action.

Question - 55

You are in charge of constructing a High Rise residential building. After creating a Network diagram - you have identified the Critical Path. Work has started - but suddenly due to inclement weather plinth work has got delayed. This plinth work activity was on the critical path. As a manager driving this project would you be worried and why?

A. No - It will not matter if the Plinth work is delayed.
B. No - Activities on the critical path do not impact the schedule
C. Yes - Any delay of activities on the critical path would lead to a delay of the entire project
D. Yes - you will now have to relay this bad news to the client
The correct answer is - C - since activities on critical path if delayed can lead to a delay in the entire Project. Options A and B are incorrect while option D is a very subjective answer and nowhere does the problem state how the stakeholders would take the news - so the best answer in this case is option C

Question - 56

You know that the success of your project will be determined by how well you manage risks. You know that identifying risks upfront can help you be better prepared with risk response strategies. You discuss and consult with other project managers in the company. One manager suggests usage of SWOT to identify risks. What would you do next as a part of this technique?

A. Gather team members and experts together and discuss to identify risks
B. Gather anonymous responses from experts and identify risks
C. Perform root cause analysis to identify problems, their cause and potential response
D. Identify the Organizations strengths and weaknesses

D is the correct answer.

SWOT involves identification of the strengths and weaknesses of the organization. This technique then identifies the threats due to organization weakness as well as opportunities due to the organizations strengths. So option D is the correct answer. The other three options are also risk identification techniques but the question is specific to SWOT

Question - 57

You have been assigned to a project that deals with developing a software product for the BFSI domain. You and your team are building the schedule network diagram. While sequencing activities one of the team members - who is an Architect indicates that rather than interacting with the database on every activity - we should introduce an activity which would cache the data. He argues that this will improve performance and hence this activity should be introduced in the sequence prior to the other activities that deal with database interaction. What kind of a dependency is this?

A. This is an example of Mandatory Dependency
B. This is an example of External Dependency

C. This is an example of Discretionary Dependency or Soft Logic

D. This is an example of Hard Logic

D is the correct answer.

The correct answer is C. Discretionary Dependency is also known as Soft Logic or Preferred Logic or Preferential Logic. Note that this is not a mandatory dependency - as it is not a 'Must Have' but more a 'Should have'. Discretionary dependency decisions are usually based upon best practices, business knowledge. In this case a Software architect can be assumed to be an expert in his field.

Question - 58

You and your team are in the process of creating WBS and WBS Dictionary. What would be the BEST choice of attributes in a WBS Dictionary?

A. Work Package ID and Work Package Description

B. Work Package ID, Control Account ID and Work Package Description

C. Work Package Description

D. Work Package ID, Control Account ID, Work Package Description, Acceptance Criteria, Responsible Organization, Cost, Assumptions

D is the correct answer.

Options C, A, B each provide greater details of what a WBS Dictionary should contain - so they all seem like the right choices. However the question asks about the BEST choice of attributes in a WBS Dictionary - which is provided in Option D. Note that the WBS and WBS Dictionary are co-related by WBS Name and Work Package ID

Question - 59

Which of the following statements is NOT true regarding change log?

A. Change log is used to log only approved change requests

B. It is used to document changes that occur during a project
The changes along with their impact to cost, time and risk are logged.

Rejected change requests are also captured in the change log.

A is the correct answer.

The change log is used to log all change requests - approved and rejected changes. Along with the changes their impact to cost, time and risk details are also documented. So option A is not true regarding change logs and hence is the correct answer.

Question - 60

What does S Curve depict a relationship between?

A. Resource Availability over time
B. Remaining budget
C. A relationship between Actual Cost, Planned Value and Earned Value
D. Shows the relationship between Cost and Quality

C is the correct answer.

The correct answer is C - S curve shows a relationship between Actual Cost, Planned Value and Earned Value.

Question - 61

Which of the following statements are false regarding Risk Management?

A. All identified risks are maintained in the Risk Register.
B. Risk prioritization occurs in Qualitative Risk Analysis.
C. Risk prioritization occurs in Quantitative Risk Analysis.
D. Low priority risks are maintained in a Watch List.

C is the correct answer.
All of the statements are true except the statement regarding Quantitative Risk Analysis. Quantitative Risk analysis does not deal with prioritizing risks. The prioritization occurs in the Qualitative Risk Analysis process. Quantitative Risk Analysis deals with assigning numeric values to risks.

Question - 62
Which of the following statements is not true regarding a Contract?
A. Legally binding in nature
B. Obligates buyer to provide compensation and obligates seller to provide some product or service in return
C. By careful administration of terms and conditions the buyer can transfer some of the risks to the seller
D. Contracts undergo an approval process as any other plan

D is the correct answer.

This question tests your knowledge about contracts and procurement. At the onset all the answers seem to be correct with respect to the contract. A contract is legally binding in nature, its an agreement of seller providing some service or product and buyer compensating the seller. Some of the risks can indeed be transferred to the seller through terms and conditions. Because of the legal nature of a contract - generally contracts are subject to a more intensive approval process - much more intense than our other plans - hence in the context of the question - option D is the right answer.

Question - 63
You are in charge of a project for the electrical layout of a 5 star hotel. You see this as a very simple project as you and your team have a lot of experience executing similar such projects. As a result your organization has a wealth of Organizational Process assets. You have worked out the exact details of the work involved and have a very detailed WBS with granular level activities defined. You decide to employ the services of a contractor for laying out of the cable trays. What kind of a contract would be the best choice?
A. Cost-reimbursable contract
B. Fixed-price contract
C. T and M contract
When as a buyer you are clear of the scope and statement of work - the contract choice should be Fixed-price. This is because in this type of contract if scope is clearly defined - then almost all of the risk lies with the seller. Here the buyer is smug with the confidence of having had experience in executing similar projects in the past and has also broken down WBS into detailed activities - so scope is clear - so the correct answer is option B.

Question - 64

Which hierarchical chart shows resources?

A. RBS
B. OBS
C. WBS
D. Scope statement

A is the correct answer.

A is the correct answer. The Resource Breakdown Structure shows various resources, both human and mechanical needed for the project.

Question - 65

Your company has won a project to build a school playground with specific toys and a sandpit. The school has mandated that the project be completed prior to start of the school after Holidays. You review the plan and see that the estimated completion date is nearly a month after the desired completion date. As resources are sparse you do not have the option to add additional resources. However you see that the sand pit work can start in parallel to the play kits being installed. Your analysis tells you that by performing these activities in parallel - the project would meet its schedule. This is an example of:

A. Scope Creep
B. Resource Levelling
C. Crashing

D. Fast Tracking

D is the correct answer.

The correct answer is D - Crashing deals with adding additional resources which is not an option here. Crashing is a schedule compression technique by performing activities in parallel if they can be overlapped. NOTE Fast Tracking may result in increased risk and rework.

Question - 66

You are in charge of a project to build a bridge across a river. You are midway through the project. However due to changes in environmental laws the project can no longer proceed and would need to be terminated. Executive management has asked you to document the level of work completed for the project. This would be done in which of the processes?

A. Project Closure
B. Contract closure
C. Project charter
D. Scope Verification

D is the correct answer.

The correct answer is option D. Not only is Scope verification performed while the project is executing - it is also performed when a project is terminated. It is used to determine the level of completion.

Question - 67

You have asked your team members to provide estimates of tasks. Based on the estimate provided you see a specific team member seems to have provided estimates on the higher side. You decide to discuss with the concerned team member. She replies that as she did not have an idea of how long it would take she had guessed the estimate and then to be on the safer side simply doubled it! What is this known as?

A. This is a Lead
B. This is a Lag
C. This is Free Float

D. This is a Pad

D is the correct answer.

The correct answer is D - Pad is adding time as a buffer to project estimate. As the team member was uncertain of what it would take and as stated to be on the safer side she simply doubled the estimate. Padding is a sign of poor Project Management.

Question - 68

You are in the process of making cost estimates for a project. However detailed requirements are not yet available. A similar project was executed by your company and you decide to use the past projects historical data to come up with your estimates. This is called -

A. Analogous estimating

B. Parametric estimating

C. Bottom-up estimating

D. Three point estimating

A is the correct answer.

The correct answer is Analogous estimating - since analogous estimation relies on past or historical data of similar nature. As the project is at an early state - where the detailed requirements are not yet available - this is the best technique suited to come to an early estimate - though it may not be very accurate.

Question - 69

You are the project manager for a large Project. You are currently busy with approximating number of work periods required to complete individual activities with estimated resources. Which of the following inputs do you need for this?

A. Activity List

B. Activity resource requirements
C. Resource Breakdown structure

D. All of the above

C is the correct answer.

C is the correct answer. Approximating number of work periods required to complete individual activities with estimated resources is done in Estimate Activity Duration process. Activity List, Activity resource requirements and Resource Breakdown structure are inputs of Estimate Activity Duration process.

Question - 70

You and your team are planning out the work to be done. You break up the work into discrete workpackages. To ensure that each work package has all the necessary details - you and your team decide to write down detailed information for each work package such as Statement of work, details of the work package and who will be the responsible individual for the work package. Where would you store this information in?

A. Approved Project Scope Statement
B. WBS Dictionary
C. WBS
D. Project Management Plan

B is the correct answer.

The correct answer is B - which is where this information is stored.

Question - 71

You are the project manager of a software project. You have just analyzed activity sequences, durations, resource requirements, schedule constraints and created project schedule. The above task belongs to which process?

A. Define Activities
B. Sequence Activities
C. Develop Schedule
D. Control Schedule

C is the correct answer.

C is the correct answer. analyzing activity sequences, durations, resource requirements, schedule constraints and creating project schedule belongs to Develop Schedule process.

Question - 72

You know that the success of your project will be determined by how well you manage risks. You know that identifying risks upfront can help you be better prepared with risk response strategies. So you decide to identify risks by taking help of experts. You have identified some good experts and rather than calling them into your office - you send them questionnaires. You promise them complete anonymity so that they give unhindered responses. What information gathering technique are you adopting?

A. Brainstorming

B. Root Cause Identification

C. SWOT analysis

D. Delphi Technique

D is the correct answer.

All four options listed above are information gathering techniques - but the correct answer is Delphi Technique. This is a form of information gathering technique where inputs from experts is solicited anonymously without gathering them together.

Question - 73

Which of the following best describes Achievement Theory of Motivation?

A. Employees given a reward are most likely to be motivated

B. People cannot be trusted and must be governed and monitored regularly to ensure tasks get done

C. People are motivated by achievement, power and affiliation
D. Employees will put in an effort in direct proportion to the perceived review and reward

C is the correct answer.

Option A and Option D are related to Expectancy theory, Option B is related to Theory X style of management - so these options are not the correct answers. Option C - is the correct answer - this theory states - there are three types of motivational needs: Need for achievement, need for authority and power, need for affiliation. As per this theory a strong 'affiliation-motivation' undermines a manager's objectivity, because of their need to be liked, and that this affects a manager's decision-making capability. A strong 'authority-motivation' will produce a determined work ethic and commitment to the organisation. such people are attracted to the leadership role, though they may not possess the required flexibility and people-centred skills. People with strong 'achievement motivation' make the best leaders, although there can be a tendency to demand too much of their staff in the belief that they are all similarly and highly achievement-focused and results driven, which of course most people are not. As per this theory achievement-motivated individuals set goals which they can influence with their effort and ability, and as such the goal is considered to be achievable. This determined results-driven approach is almost invariably present in the character make-up of all successful business people and entrepreneurs. Achievement is more important than material or financial reward. Achieving the aim or task gives greater personal satisfaction than receiving praise or recognition. Financial reward is regarded as a measurement of success, not an end in itself. Security is not prime motivator, nor is status. Feedback is essential, because it enables measurement of success, not for reasons of praise or recognition (the implication here is that feedback must be reliable, quantifiable and factual). Achievement-motivated people constantly seek improvements and ways of doing things better.

Question - 74

The key benefits of ________ process is that it will maintain or increase the efficiency and effectiveness of stakeholder engagement activities as the project evolves and environment changes.

A. Plan Stakeholder Engagement

B. Identify Stakeholders

C. Manage Stakeholder Engagement

D. Monitor Stakeholder Engagement

D is the correct answer.
The key benefits of Monitor Stakeholder Engagement process is that it will maintain or increase the efficiency and effectiveness of stakeholder engagement activities as the project evolves and environment changes.

Question - 75

You are managing a project constructing a bridge over a river. All of the risks have been identified and the design phase is just completed. The team is in its second week of actual construction. One of the subject matter experts reports that there is a possibility of the monsoons to be heavier this year. She points out that the load bearing plates earlier designed may have to be redesigned considering the additional water pressure expected because of additional rain water. What would be your best immediate course of action?

A. Schedule an emergency meeting with all stakeholders to discuss this risk
B. Risk mitigation by immediately redesigning the load bearing plates
C. Write up a change and submit to the Change Control Board for approval
D. Update the Risk register to add this risk along with its probability and impact

D is the correct answer.

The question is asking about the best immediate course of action. The first course of action should be to add this risk in the Risk register and also adding the possible impact and risk probability. No other action should be performed prior to this. So - scheduling an emergency meeting while might sound as the first thing to do is not correct and neither making any change to the design. Writing up a change will only come after the risk is documented, its probability and impact accessed and then based on this information can you choose to write up a change request. So the first course of action should be to Update the Risk register.

Question - 76

You are managing a project responsible for doing plantation on a large reserve land. You have created the schedule network diagram and have identified two paths. Path 1 consists of two activities of a duration of 2 and 5 weeks respectively. Path 2 consists of 3 activities with durations of 1, 3 and 3 weeks respectively. Which of the two paths is the Critical Path?

A. Path 1
B. Path 2
C. Neither
D. Both Paths 1 and 2 are Critical Paths

D is the correct answer.

The correct answer is D - since the duration of both the paths is 7 weeks. Remember that the path with the longest duration is the critical path and you can have more than 1 Critical Path!

Question - 77

What is the role of the Project Manager in Procurement?

A. Ensure contract contains all the project management requirements such as status reporting, meeting attendance and communication needs
B. Ensure contract is satisfying the needs of the project
C. Control changes to the contract
D. All of the above

D is the correct answer.

Option D is the right answer - the project manager must ensure all of the above in Procurement. Many a times the project manager works with the contract manager. Here an important point is that the Project Manager must be assigned before the contract is signed.

Question - 78

As a manager in an organization - which believes in the Theory X style of management - which of the following describes correctly the assumptions of this theory?

A. Employees are inherently lazy, dislike work and will avoid work if they can.
B. Employees are motivated and enjoy doing their work.
C. Employees want to do well at work.
D. Employees are trustworthy and are motivated by doing a good job.

A is the correct answer.
Theory X assumes employees cannot be trusted and will only work if rewarded or under threat and coercion. This theory does not consider an employee to work on their own - so the correct option is A. The other options consider an employee to be self motivated and self starter - which is not what Theory X is based on.

Question - 79

You have recently joined an organizations project management office. After reviewing the organizational assets you realize that project managers have not routinely documented lessons learned for their projects. There are a few projects that are about to start - You decide to call up a meeting of all the project managers and explain the need of Lessons Learned. In order to get a buy in from your managers - What would you focus on as the best use of this document

A. It helps the team to plan tasks
B. It helps in performance reporting
C. It will help the manager to better control the project
D. The historical information can be used for other projects

D is the correct answer.

Note that the question states that new projects are about to start - and past lessons learned of projects could have served as good inputs for the other projects. Not having lessons learned handicaps the managers. So here the correct answer is D

Question - 80

Your project is in a critical phase. You notice one of the team members comes in late into office and leaves early. This is clearly impacting delivery. You decide to discuss the details with the concerned team member to better understand the details. On discussion you find no specific reasons so you explain the necessity and criticality of the project expecting the team member improves. However next week your lead engineer reports about inadequate time being spent by the same person in office. What would be the best choice of communication in this case?

A. Informal and verbal
B. Formal and written
C. Informal and written
D. Formal and verbal

B is the correct answer.

In this case you have already tried out the option of discussing with the team member once - which is an example of Informal verbal. Clearly that has not worked so it calls for a more stricter reprimand - so here the correct form of communication would be a formal written communication.

Question - 81

Decomposition is best described as:

A. Creating control accounts.
B. Creating work packages.
C. Breaking down deliverables into smaller work packages so they can be better planned
D. Planning and scheduling of work packages

C is the correct answer.

Decomposition deals with breaking down deliverables into small discrete work packages that can be planned better. It also helps prevent work from slipping through the cracks and gives the project team a better picture of the work involved.

Question - 82

As a part of the Executive Management team - you have a number of project managers reporting into you. One of the project managers has reported data for her project that has got you worried regarding health of the project. \( EV = 300000 \text{ USD} \), \( PV = 550000 \text{ USD} \), \( AC = 200000 \text{ USD} \) You are worried since as per your calculations the project is behind schedule. However the Project Manager disagrees and she feels the project is ahead of schedule - what is the correct interpretation of the data?

A. Both are incorrect - the health of the project cannot be determined from this information
B. Both are correct as interpretation is very subjective
C. You are correct - the project is behind schedule
D. Your Project Manager is correct - the project is ahead of schedule

C is the correct answer.

The correct answer is C - this is because SPI = EV / PV = 300000/550000 = less than 1. A SPI less than 1 indicates the project is behind schedule.

Question - 83

To facilitate, measure and control Quality - you have been asked to use the seven basic quality tools - also known as 7QC tools - which ones would they be?

A. Cause and effect diagrams, Flowcharts, Checksheets, Pareto diagrams, Histograms, Control Charts, Sequence Diagrams

B. Cause and effect diagrams, Flowcharts, Checksheets, Pareto diagrams, Histograms, Control Charts, Scatter Diagrams

C. Activity diagrams, Flowcharts, Checksheets, Pareto diagrams, Histograms, Control Charts, Sequence Diagrams

D. Cause and effect diagrams, Monte Carlo analysis, Checksheets, Pareto diagrams, Histograms, Control Charts, Scatter Diagrams

B is the correct answer.

Option B is the correct answer.

Question - 84

You have scheduled regular weekly team meetings with project team members. Things have been going to plan and there have been no variances till date with respect to the work performance baselines. A site engineer reports that he had to perform a couple of corrective actions - however they were not logged - as a Project Manager what should you do?

A. Reprimand the team member for not documenting the corrective action

B. Reprimand the team member and ensure the corrective action is reverted

C. Do nothing - this is bound to happen on a project
D. Document the corrective actions performed in the historical records

D is the correct answer.

All changes - including corrective actions, preventive actions and defect repair must undergo change control prior to the change being made. It is also necessary to document the corrective and preventive actions taken in historical data as this can serve as a good input for subsequent projects. Reprimanding the team member now is of no use and allowing uncontrolled changes to happen is a recipe for disaster in project management! Option D is the right answer.

Question - 85

You are negotiating with a contractor for additional staff augmentation - a number of software developers and a few testers. As a buyer you don't quite have the exact statement of work ready. What kind of contract is MOST appropriate for this kind of work?

A. Time and Materials - T and M
B. Cost plus fixed fee - CPFF
C. Firm Fixed Price Contract - FFP
D. Fixed Price Incentive Fee Contracts - FPIF

A is the correct answer.

As the nature of work is not quite clear and this deals with contracting additional staff - the best choice of contract is T and M. Fixed price contracts are applicable where scope of work is quite clear which is not the case here. Here choosing a Cost-reimbursable contract makes no sense - since the unit rate of staff can be determined and agreed between you and the seller - so the best option is A - T and M

Question - 86

A process with lack of consistency and predictability is called:

A. in control
B. out of control
C. bad quality
D. quality noise

B is the correct answer.

A process with lack of consistency and predictability is called out of control.

Question - 87

The ________ details the different tasks for members in the project.

A. Responsibility Assignment Matrix (RAM)
B. WBS
C. SOW
D. Scope statement

A is the correct answer.

A is the correct answer. Responsibility Assignment Matrix (RAM) details the different tasks for the members in the project.

Question - 88

ISO Stands for __________ ?

A. International Organization for Standardization
B. International Standardized Organization
C. In Standardized Organization
D. None

A is the correct answer.

ISO Stands for International Organization for Standardization.
Question - 89

Your project activity float is negative 10. What is your course of action?

A. add more resources
B. ask more time to complete the project
C. use less experienced team members
D. Ignore It.

A is the correct answer.

A is the correct answer. Negative activity float means your project is behind. Add more resource is best option.

Question - 90

The purpose of a quality audit is:

A. To identify inefficient and ineffective policies
B. To identify project quality for customer
C. Study organizational behavior
D. Prepare a report for the quality team

A is the correct answer.

Purpose of quality audit is to identify inefficient and ineffective policies.

Question - 91

Which of the following statements are not true regarding the Scope Management Plan?

A. Scope Management Plan is not a Part of the Project Management Plan.
B. Provides guidance on how the Project Scope will be verified.

C. Provides guidance on how the scope will be defined, documented, monitored and controlled.

D. Provides guidance regarding the enterprise environmental factors and organizational process assets that would play a part.

A is the correct answer.

All the options except Option A are true regarding the Scope Management plan. The Scope Management Plan is very much a part of the Project Management Plan.

Question - 92

You are the project manager of a project and you have added some dummy activities to correctly show all logical relationships. Which network diagramming method have you used?

A. ADM (Arrow Diagramming Method)
B. Precedence Diagramming Method (PDM)
C. PERT
D. None

A is the correct answer.

A is the correct answer. ADM (Arrow Diagramming Method) uses dummy activities to correctly show all logical relationships. Arrow Diagramming Method (ADM) uses arrows as activities, and nodes are used to connect and show dependencies. The Precedence Diagramming Method (PDM) uses boxes or nodes as activities and arrows as dependencies between the nodes.

Question - 93

You are in charge of a painting project for a high-rise building. As part of the planning, you need to take a decision of buy vs lease for some stilt ladders needed on site. The cost of the ladder is 1000 $ and a daily cost of 4$ while the daily lease cost is 12$. If you were to lease the ladder, what should be the duration to ensure your decision is correct?

A. A duration less than 126 days
B. A duration less than 150 days

C. A duration greater than 126 days

D. A duration greater than 126 days

A is the correct answer.

Lets assume the duration to be X days. 12 * X = 1000 + 4 * X , 8X = 1000 , X = 125. This means that if the ladder is used for any duration equal or greater than 125 days it is economical to purchase rather than lease - so in other words to lease the duration should be equal to or less than 125 days - so option A is the right answer.

Question - 94

In which of the following situation network diagram is better than bar chart?

A. to show inter dependencies between activities

B. analysis of schedule progress

C. analysis of WBS

D. analysis of project plan

A is the correct answer.

A is the correct answer. Network diagram is best to show Interdependencies between activities.

Question - 95

Your company has been tasked with providing estimates for a road construction project. You have data available related to costs per square feet. You now need to provide an estimate of the cost of the project based on this data - what estimation technique is most applicable in such a scenario?

A. Top Down estimates

B. Parametric Estimating technique
C. Bottom Up Estimating
D. Analogous Estimation

B is the correct answer.

Here the correct answer would be Parametric Estimation - this is because the cost per unit is readily available. Parametric estimation uses the relationship between variables to determine cost or duration. It calculates the cost or duration of the unit and also determines the number of units required which helps in calculating the cost / duration of the project.

Question - 96

A data point in a control chart that requires investigation is called:

A. a special cause
B. a quality fault
C. a rule of seven
D. a rule of five

A is the correct answer.

A data point in a control chart that requires investigation is called a special cause.

Question - 97

A Heuristics is best described as:

A. thumb rule.
B. activity diagram.
C. workaround.
D. control tool.

A is the correct answer.
A is the correct answer. Heuristics is thumb rule. Examples are cost per square feet etc.

Question - 98

You have successfully completed a project. You have now been assigned a project which is midway into its execution. You have had to take this project due to non-availability of the current project manager due to health. This is a complex project involving multiple contractors and teams at various geographical locations. You decide to look up the requirements of the types of reports and frequency of sending them. Where would you find this information?

A. Project Management Plan

B. Scope Management Plan

C. Communication Management Plan

D. Stakeholder Analysis

C is the correct answer.

The correct answer is Communication Management Plan. This Plan provides information such as frequency of communication, type of communication, who is responsible for communication. Hence this is the correct answer.

Question - 99

You are managing a project and to ensure things run smoothly - you have decided to provide project information periodically to all the stakeholders. You have decided that you would report against the baselines for scope, cost and schedule. Which of the following would be the best choice?

A. Performance reporting

B. Status reports

C. Forecasts

D. Risk Register

A is the correct answer.
The best choice is Performance reporting with respect to the triple constraints - Scope, Schedule and Cost. Forecasts are future projections while risk register deals with risks which are not the right options. While status reports could be an option the best answer is Performance reporting.

Question - 100

You have replaced a project manager on a project that is already in the execution phase. The project is behind schedule and you have been specifically brought in to ensure the project meets its schedule. You decide to review the schedule network diagram created by the earlier project manager and you realize that the project is 3 weeks behind schedule. After reviewing the activities and the network diagram you decide to Crash the schedule. So this means you

A. Decrease the scope of the project after discussing with the sponsors
B. Add additional resources to the activities on the Critical path
C. Perform activities in Parallel to decrease the schedule
D. Discuss with the sponsors and explain how it is not going to be possible to meet the schedule.

B is the correct answer.

Option B is the correct answer. Crashing is a technique used to shorten the schedule by adding resources. Option A and D are clearly not correct - and Option C is really an example of Fast Tracking.

Question - 101

Which of the following best describes the assumptions made by Herzberg's Hygiene theory?

A. Employees are basically lazy and need to be monitored
B. Hygiene factors help avoid job dis-satisfaction and lead to motivated employees
C. Hygiene factors help avoid job dis-satisfaction and their absence could create dissatisfaction but it will not lead to motivated employees
D. Job content factors have no influence in keeping people happy on the job and motivated.

C is the correct answer.
According to Herzberg Hygiene theory - certain factors exist termed as 'Hygiene factors' - which if not present can lead to dis-satisfaction - so to avoid dis-satisfaction they must be present. However these 'Hygiene factors' will not directly lead to employee satisfaction - they would only avoid dis-satisfaction. Option A is clearly unrelated while Option B is incorrect since Hygiene factors do not contribute to employee motivation. Option C is correct. Herzberg’s theory also states that what motivates employees is the Job content - hence Option D is incorrect since it states the opposite.

Question - 102

You are managing a software development project in the banking domain. Things have been proceeding as per plan - but with the economic meltdown the client has had to abruptly shutdown the project due to lack of funds to source the projects any longer. As a Project manager what is the next thing to do?

A. Free up project resources so they can be utilized on other tasks
B. As there are very few tasks remaining - get those completed
C. Ensure all project closure procedures are followed and lessons learned are updated
D. Publish work performance reports for the project

C is the correct answer.

Project closure procedures must be followed. They must be followed irrespective of whether project was successfully completed or if it was terminated - we always follow closure procedures - so in this case the Project Manager should choose option C.

Question - 103

Which of the following statements is true regarding Critical Path?

A. There can be more than one Critical Path in a Schedule Network Diagram
B. Critical Paths generally always have negative float
C. Activities on Critical Path have positive float
D. Critical Path has duration less than the non critical paths.

A is the correct answer.
The correct answer is Option A. Generally activities on Critical Path have Zero float. Critical Path is the one which has the longest duration - so options B, C and D are not correct. You can always have more than one Critical Path in a project.

Question - 104

Your company policy allows accepting gifts from customers within certain limits. Your customer is giving you a gift which is beyond the limit of your company policy. You have given a gift to the customer's representative already which has similar in value. What should you do?

A. Accept it and don't tell anyone.
B. Contact your company's senior management and ask for assistance.
C. Ask your customer about company policy.
D. Refuse it.

B is the correct answer.

Best option is to contact your company's senior management and ask for assistance.

Question - 105

You are responsible for a project with high risks particularly during the early phases - your sponsor has asked for performance reports on a monthly basis. At the end of the first month you report a CPI greater than 1 and also the SPI greater than 1. What would this mean?

A. The project is behind schedule and over budget
B. The project is ahead of schedule and under budget
C. The project is ahead of schedule but over budget
D. The project is behind schedule but under budget

B is the correct answer.

The correct answer is B - SPI greater than 1 indicates the project is ahead of schedule while a value less than 1 indicates the project is behind schedule. CPI value greater than 1 indicates project is under budget while a value less than 1 indicates the project is over budget.
Question - 106

You are the project manager of a software project. Your team member want to make technical changes to an activity which will add more time to that activity. What should you do?

A. Check if the activity is on critical path
B. Allow team members to change the activity
C. Report to senior management
D. Ignore change in activities.

A is the correct answer.

A is the correct answer. Check the activity if it is on critical path is the best option.

Question - 107

You have replaced an earlier project manager. The project is already in its third month of execution. You need to determine if the project is ahead or behind schedule. What would be the BEST source of this information?

A. Work performance data
B. Work performance Measurement
C. Project Management software
D. Pareto Chart

B is the correct answer.

Work performance measurement provides details of lanned Vs actual values which helps in determining the health of the project. Work performance data is the at actuals information that helps in measuring performance. Project management software helps facilitate track data while Pareto chart is used in Quality Control. The correct answer is Option B - Work performance Measurement.
Question - 108

Communication can be of the following forms except:

A. Formal and Informal
B. Written and Verbal
C. Precise and Vague
D. Vertical and Horizontal

C is the correct answer.

Precise and Vague is not a form of communication while all others are.

Question - 109

With a lot of expertise in project management - many of your companies co managers consult you for advise and inputs. One of your colleagues who is relatively inexperienced in managing projects wants to compare the project work and measure the deviations - which document should he refer to ? Choose the option that BEST answers the question ?

A. He should refer to the Project Management Plan
B. He should refer to the Scope Management Plan
C. He should refer to the Schedule Management Plan
D. He should refer to the Performance Measurement Baseline

D is the correct answer.

There are multiple options that seem correct - however they are partially correct. The scope baseline and schedule baseline are not the only baselines against which project performance is measured so options B and C are definitely not the best options. The project management plan contains details of all the baselines - but a more specific plan to refer to is the Performance Measurement Baseline. It contains details of the scope, schedule and cost baseline and it could also contain quality and technical parameters. While the project management plan includes he baselines - it is actually the Performance Measurement Baseline which is used for comparing performances and the Performance Measurement Baseline is a part of the Project Management Plan. So the BEST answer is option D.
Question - 110

As a manager on a project your key outlook is to ensure that the project delivers within the scheduled timelines with minimal rework and customer delight. For some time now the project work is proceeding smoothly with a CPI and SPI a perfect 1. One of your team members approaches you and indicates that she might possibly need a long vacation on personal grounds. She indicates this could possibly occur in two months from now. You look up the schedule and as luck would have it - this team member happens to be scheduled to execute activities which are on the critical path - and her absence in two months time would cause a delay in schedule. You decide to take some action and ask the team member to start regular knowledge transfers to a couple of trainees. Your thought is though the trainees would be relatively inexperienced they would more than make up for it with two people rather than one person to perform these tasks should this team member need to go on leave. What did you just do?

A. Mitigate the risk
B. Avoid the risk
C. Transfer the risk
D. Exploit the risk

A is the correct answer.

You have mitigated the risk where by asking for the trainees to be trained you have created a Risk response strategy. Should this team member go on leave the trainees would execute the task. So you have not avoided the risk. Again there is no question of exploiting the risk as this is not a positive risk. This is not a case of Risk avoidance either - so the correct answer is Risk Mitigation - option A.

Question - 111

You are a project manager of Software Product company. After a person is hired, you come to know that many of this person's ideas were developed by a competitor company. Are you going to implement the same ideas?

A. Accept the new ideas.
B. Ignore the ideas because it may be a violation of the code of conduct.
C. Ask to sign NDA.
D. Tell the person that he should not mention that the ideas came from another company.

A is the correct answer.

Unless the employee has signed the NDA with his or her previous organization, there is no obligation for him or her not to share knowledge that was gained while working for the competitor.

Question - 112

A product description of a project can help in creating procurement details. Which one of the following best describes the product description?

A. A product description defines the contracted work based on the requirements of the customer
B. A product description defines the contracted work
C. A product description defines the requirements for the contract work
D. All of the above

A is the correct answer.

A product description defines the contracted work based on the requirements of the customer.

Question - 113

As a project manager of a project, you have just completed Schedule network diagram. Which of the following schedule management activities have you completed?

A. Estimate Activity Resources
B. Sequence Activities
C. Estimate Activity Durations
D. Develop Schedule

B is the correct answer.
B is the correct answer. Schedule network diagram is an output of Sequence Activities.

Question - 114

You are in the process of making a cost estimate for a large prestigious project. You decide to use the Three Point Estimation technique with Triangular Distribution. Based on your analysis and understanding you are confident that the project would be completed with a total cost of 108,000 $. You also estimate that a best case estimate would be 90000 $ while a worst case scenario would result in the costs incurred to shoot up to 138000 USD. What would the Three point Cost estimate be using Triangular Distribution?

A. 112000 $
B. 110000 $
C. 28000 $
D. None of the above

A is the correct answer.

The correct answer is A. The question states we should use Three point estimate using triangular distribution. The formula for this estimation technique is \( a + b + c / 3 \) where \( a = \) Most Likely estimate, \( b = \) Estimate based on analysis of the Best case scenario and \( c = \) Estimate based on analysis of the Worst case scenario. So the Three point estimate using Triangular distribution is \( 108000 + 90000 + 138000 / 3 = 336000/3 = 112000 $ \)

Question - 115

Midway through the project as a Manager you are performing Earned Value Methodology to report performance. Based on your calculations you realize that the initial plan is no longer valid. However you still need to provide an EAC - what is the best course of action?

A. Calculate EAC as \( EAC = BAC / CPI \)
B. Calculate EAC as \( EAC = AC + BAC - EV \)
C. Calculate EAC as \( EAC = AC + (BAC - EV)/(CPI * SPI) \)
D. Calculate EAC as \( EAC = AC + \) Bottom up Estimate

D is the correct answer.
The correct answer is D - Option A is to be used if past CPI is expected to continue. Option B is to be used if future work is going to be performed at the planned rate. Option C is to be used if both CPI and SPI influence remaining work. Option D is to be used when the initial plan is no longer valid - which is the case here.

Question - 116

As a manager on a project you have identified and created the WBS and WBS Dictionary. You also plan to ensure that each deliverable gets the blessings of your stakeholders and sponsors. Which process are you planning to perform?

A. Scope Verification
B. Perform Quality Control
C. Control Scope
D. Define Scope

A is the correct answer.

The correct answer is Scope Verification which deals with verifying that what was delivered was what was required.

Question - 117

You have received a number of seller responses for contracting work related to setting up office cubicles. One of the bids received happens to be from a very good friend of yours. You know she has done good work in the past. What should be the BEST course of action?

A. Do nothing and let the seller selection proceed
B. Ensure that your friend gets the contract as she has done good work in the past
C. Inform your company regarding the conflict of interest and disqualify your friend
D. Inform your company regarding the conflict of interest and let selection of seller happen with no prejudice

D is the correct answer.

Explanation.
In order to determine the details of the work to be performed in work packages - which of the following can be used?

A. WBS
B. WBS Dictionary
C. Control Account
D. Work Packages

B is the correct answer.

The correct answer is Option B - WBS Dictionary. It provides details such as description of work to be done for each work package, any schedule milestones, statement of work. It is also used to prevent scope creep.

You need to provide estimates for activities on the project. You and your team discuss and conclude that as detailed information is not yet available - the best option would be to use Parametric Estimates. The various ways to create Parametric Estimates are:

A. Critical Path Method
B. One Time Estimate
C. Regression Analysis and Learning Curve
D. Monte Carlo Analysis

C is the correct answer.

The correct answer is C - Regression analysis and Learning Curve are ways of creating a Parametric Estimate. Regression analysis is also known as Scatter Diagram. Scatter diagrams consist of a graphical representation of two variables from a data set. They are used to detect the correlation between the variables being examined. Learning curve takes into consideration that if the nature of the work is repetitive - the person will perform subsequent work faster as efficiency improves. Option A has nothing to do with Parametric Estimates while Option D
though is an estimation technique - it uses simulation and three time estimates - so it is not the correct answer.

Question - 120

Which of the following best describes the role of a project sponsor?

A. Project Sponsor is responsible for managing the project
B. Project Sponsor is responsible for managing the quality of deliverables
C. Project Sponsor is responsible for providing funding for the project
D. Project Sponsor is responsible for identifying key stakeholders

C is the correct answer.

The project sponsor is not responsible for managing the project nor the quality of deliverables - it is the role of the project manager. While the sponsor can aid in identifying key stakeholders - the key area a sponsor plays a part is in providing funding. The sponsor provides funding directly or indirectly and is responsible for approving or denying the budget. The project sponsor is also generally the one who approves the Project Charter - but that is not mentioned in the question. So the correct answer is Option C

Question - 121

You are a project manager for a project. While reviewing the cost estimates for the project, you notice that one of the cost estimates for an element in the WBS is 20% higher than the previous project for a very similar work. What should you do next?

A. Accept the estimate.
B. Ask the person responsible about the difference.
C. Ignore it.
D. Reduce the estimate.

B is the correct answer.

Best option is to ask the person responsible about the difference and create the most accurate estimate that is practical.
Question - 122

You are the sponsor of a project which has just kicked off. This is an ambitious project to build a top of the line 18 hole golf course. Which of the following BEST describes your role as a sponsor?

A. Managing changes to the project
B. Create the Work Performance Baselines
C. Publish Work Performance Reports
D. Publish the approved Project charter

D is the correct answer.

The main objective of the sponsor is to create and publish a formally approved project charter. While the sponsor can help assist in preventing and managing changes to the project - this is the project manager's job. Creating baselines and publishing work performance reports is also the job of the project manager - so option D is the correct answer.

Question - 123

As a project manager of a project, you have just completed Schedule network diagram. What should you do NEXT in schedule management?

A. Estimate Activity Resources
B. Sequence Activities
C. Estimate Activity Durations
D. Develop Schedule

A is the correct answer.

A is the correct answer. Schedule network diagram is an output of Sequence Activities, NEXT process is Estimate Activity Resources.
The key difference between Work performance data and Work performance Measurement is:

A. There are no differences - both are the same
B. Work performance data is the 'as of now' status of deliverables while Work performance measurement is a comparison between planned Vs Actuals
C. Work performance measurement is the 'as of now' status of deliverables while Work performance data is a comparison between planned Vs Actuals
D. Work performance data are the planned objectives

B is the correct answer.

Work performance data is a key output of 'Direct and Manage Project Work'. The key difference between the two is that the Work performance data consists of raw observations and measurements DURING activities being performed. It is the 'as of now' status while Work performance measurements is used to compare actual performance against what was planned. The correct answer is Option B.

The purpose of a contract is to distribute a reasonable amount of ____________ between the buyer and seller.

A. Risk
B. Responsibility
C. Reward
D. None

A is the correct answer.

A fair contract shares a reasonable amount of risk between the buyer and the seller.

A friend of yours approaches you seeking advice. She indicates she has offers from two
organizations. Her role in one of the organization is that of a project Co-ordinator while in the other organization her role is that of a Project expediter. She is not quite clear of the difference between the two roles and seeks your advice. Which of the following statement is true?

A. There is really no difference between the two
B. Project Expediter has no authority and cannot take decisions. Project co-ordinator has some authority and decision making authority.
C. Project co-ordinator has no authority and cannot take decisions. Project Expediter has some authority and decision making authority.
D. Project expediters are found in projectized organizations and Project co-ordinators are found in Functional organizations.

B is the correct answer.

A project expediter has no authority or decision making ability. A project co-ordinator has some amount of authority and some amount of decision making ability. So the correct answer is Option B.

If a person desires to excel in his tasks - as per Maslow's Hierarchy of Needs - what type of a need is the person exhibiting?

A. Love or Belonging
B. Physiological
C. Self-actualization
D. Safety

C is the correct answer.

Option C is the correct answer. When a person desires to exceed or excel in their tasks - it is considered as the highest level of need where the person now wants to realize their full potential - which is Self-actualization.
According to Theory Y style of management - which of the following are correct assumptions?

A. Employees are inherently lazy and not motivated.

B. Employees need to be closely supervised and comprehensive systems of controls developed.

C. Employees are only interested in self benefits and money.

D. Employees are trustworthy and are motivated by doing a good job.

D is the correct answer.

Option D is the correct choice. Theory Y believes positively about employees and only option D reflects a positive attitude and belief. Option A, B and C are not the correct answer as they are the opposite of belief in employees - they indicates lack of trust in an employee which is not a correct assumption in the Theory Y style of management.

Question - 129

Conformance to specifications document is a description of:

A. Quality

B. Scope

C. Integration

D. None of the above

A is the correct answer.

Quality on a project means that you are conforming to a standard that is set before you start the project.

Question - 130

You are the project manager of a marketing project and need to purchase some equipment. The accounting department needs a unilateral contract from you. Accounting is referring to which of the following:
A. Legal Binding Contract
B. Purchase Order
C. Statement of Work
D. WBS

B is the correct answer.

A unilateral contract is simply a purchase order.

Question - 131

You are out for lunch with a fellow project manager. She is in charge of a project that deals with laying out electrical cables across two towns. As you understand the plan of the layout - you realize that the cabling would cover a neighborhood with a history of criminal problems. You advise your fellow team manager that it would be prudent to insure the copper cables through a theft insurance. You also advise her regarding which insurance companies would give her the best insurance covers against theft. What risk response strategy did you just adopt?

A. Risk mitigation
B. Risk avoidance
C. Risk transfer
D. Risk acceptance

C is the correct answer.

This is an example of Risk transfer where you have advised your fellow manager to insure against theft through insurance. Note that this does not eliminate the risk rather the risk is simply to be borne by the insurance company. It is also worthwhile to note that the transfer of negative risks comes with a premium to be paid to the party responsible for handling the risk. In this case the insurance company would need to be paid a premium for bearing this risk.

Question - 132

To Complete Performance Index is used to determine?
A. When the project would be complete
B. To determine the feasibility of the project
C. To identify the risks in the project
D. The cost performance required to meet certain objectives

D is the correct answer.

The correct answer is - D. TCPI is a measure of the ratio of the work remaining to the funds remaining.

Question - 133

You are managing a project and based on risk identification - you feel very confident that the project should run smoothly. The next day the lead architect indicates a risk which was not envisioned. He indicates a 10% possibility of the risk occurring and the effort involved of choosing an alternate path worth 2000 USD. The side effect of alternate path implementation is that a lot of testing efforts would get reduced worth 4500 USD and the possibility being 30%. What would be the EMV?

A. -$200
B. $1350
C. $1150
D. $1550

C is the correct answer.

The correct answer is $1150. In the case of the rework effort the EMV is -$200. The EMV of the side effect is $1350. So the total EMV is $1150.

Question - 134

An estimate is required for a new project of an R and D nature - and it has been decided to create the estimates using WBS - with an emphasis on accuracy of the estimates. Your project manager also indicates sufficient time is being made available to provide the estimates - what would be the best estimation approach in this case?
A. Parametric Estimation approach
B. Analogous Estimation approach
C. Top Down Approach
D. Bottom Up Approach

D is the correct answer.

Parametric and Analogous are clearly not the right choices. Being a new project - we do not have any historical data to rely on - so Analogous estimation is not an option. We also don't have any data of costs per unit - so Parametric estimation is also not an option. Now between Top down and Bottom up - both of these approaches use the WBS to come up with the estimates. With Top down we start with the high level and then drill down into the lower levels. Bottom-up estimates are more accurate as compared to Top down. Bottom up is also a more expensive and time-consuming type of estimate - however the question clearly indicates that time is not a concern - so the correct answer is Bottom up approach. Top down approach is used only if we have enough historical information on the project which is not true.

Question - 135

Which of the following could not be provided with Activity Attributes

A. Provide details regarding predecessor and successor activities.
B. Provide details regarding Leads and Lags
C. Provide details regarding who and where the activity will be performed
D. Provide details regarding root causes of issues

D is the correct answer.

All the options are correct - except option D Activity attributes do not provide details of root causes of issues.

Question - 136

As a project manager you understand the importance of identifying all relevant stakeholders, their interest and influence and their needs and expectations. You have been assigned to
handle a large construction project. You decide to do a thorough stakeholder analysis and you identify Laura and Sean. Based on your interactions and analysis - you know that both Sean and Laura are low in the pecking order so they do not wield any significant authority or power. However, where it differs is in their interest in the project. Laura has a lot of interest while Sean is disinterested. You decide to plot them in a Power / Interest grid to help determine how you would manage these stakeholders. Which of the following is the best approach to handle these two stakeholders?

A. Both Sean and Laura should be Kept Informed.
B. Sean should be Monitored and Laura should be Kept informed.
C. Both Sean and Laura should be Monitored.
D. Sean should be Kept informed and Laura should be Monitored.

B is the correct answer.

Both Sean and Laura do not wield a lot of power and authority. However, the differentiator seems to be their level of interest. While Sean is disinterested, Laura has a high level of interest in the project. Stakeholders who have a high level of interest but who wield insignificant authority or power should be Kept informed - in this case, Laura. Stakeholders who have a low level of interest and who wield insignificant authority or power should be Monitored - in this case, Kelly. The correct answer being - Option B.

Question - 137

You are in charge of managing a software development project which is related to simulations for driving racing cars. During Quality Assurance - a number of issues have been reported in the air tunnel modelling module. On deeper analysis - it is found that many of the issues were due to not understanding the requirements clearly and now additional time would be expended to fix the issues identified. This is a good example of:

A. Corrective Action
B. Preventive Action
C. Defect Repair
D. Quality Assurance

C is the correct answer.

The question is intended to cause a confusion between preventive or corrective action. However, the question does not state any example of any steps taken proactively so
Preventive Action is not the right answer. If we were to consider Corrective action - It is a future response to the defect repair process or the correction, so that the cause of error or non-conformity will not occur again - which the above question does not state - so this is not an example of Corrective action. As is obvious the question does not state anything other than reporting defects which is really Quality Control so again it is not the right answer. Here the straightforward answer is option C - Defect repair.

Question - 138

Which of the following is NOT part of a quality plan?

A. Benchmarking
B. Cost of Quality
C. Design of experiments
D. Quality audits

D is the correct answer.

Quality audits are part of a Manage Quality process.

Question - 139

As a senior member in the executive management team - you have tasked project managers within your team to provide cost estimates for a huge project. You easily foresee the cost estimate of the project to run into millions of dollars. Along with the cost estimate - you are also expecting the Basis of estimates. What would you expect to be included in the documentation for Basis of estimates?

A. Basis of estimate, assumptions, known constraints, range of estimate, confidence level
B. Cost at unit level and confidence level
C. WBS
D. None of the above

A is the correct answer.
The correct answer here is A which states all the necessary details to be provided as the Basis of estimates.

Question - 140

Your team has just bagged a software development project. The executive management is very pleased as this is a very prestigious project. However you are a little worried considering the complex nature of the project. You decide to try and identify the possible risks. You get all relevant stakeholders together and conduct mammoth discussions. Together you have come up with a number of risks. However based on your experience - you still feel that not all the risks have been identified. You decide to set aside some budget for the risks that you have not identified but are sure you will encounter. Where does this budget come from?

A. Cost Management Plan
B. Cost Baseline
C. Contingency Reserves
D. Management Reserve

D is the correct answer.

The type of risk here is an unknown risk. For known risks risk responses can be proactively planned for. For the known risks where we cannot plan proactively - we set aside a reserve called Contingency Reserves. For unknown risks we set aside a Management Reserve. Cost management Plan deals with how you will manage costs on your project and Cost baseline is the baselined cost expected to be expended on the project.

Question - 141

You have been assigned to manage a project that deals with setting up a railway line connecting two cities. The project is complex with a lot of contracting involved. You and experts in your organization are evaluating if the rail line alignment machinery should be purchased outright or if it would be better to lease. The cost of leasing the equipment is 1200 $ per day while the cost of an outright purchase is 96000 $ and a daily cost of 200 $. The duration of laying out the railway lines is scheduled to be an activity duration of 150 days. Should you purchase the machinery or be leased - which option would be more economical?

A. Lease the machinery as it will be cheaper by 84000 USD
B. Purchase the machinery as it its usage beyond the 80th day would be more cost effective to
purchase rather than lease

C. Purchase the machinery as it its usage beyond the 96th day would be more cost effective to purchase rather than lease

D. Lease the machinery as it will be cheaper by 36000 USD

C is the correct answer.

The question is actually looking for a simple mathematical formula! Do not get flustered by all the numbers. The activity duration is 150 Days. So cost of leasing is 150 * 1200 = 180000, while cost of an outright purchase is 96000 + 200 * 150 = 96000 + 30000 = 126000 USD. So definitely leasing is not cheaper and purchasing the machinery is the better option. Now what is the breakeven point of a purchase - on the 96th day of usage of the machinery - the cost of purchase incurred is 115200 $ which is exactly the cost incurred if it were leased so 96th day is the break even point and hence the correct answer is option C. Take a breather - relax and digest the details - they are not as hard as they look!

Question - 142

An activity has an Early Start(ES) of 5 days and Late Start of 16 days. What is the activity’s float?

A. 11 days
B. 21 days
C. 5 days
D. 16 days

A is the correct answer.

A is the correct answer. Activity float = Late Start - Early Start = 16-5 = 11 days

Question - 143

Which of the following statements are not true regarding WBS?

A. Provides a graphical picture of the hierarchy of the project.
B. Identifies all of the work that needs to be performed.
C. Can help facilitate in estimating costs and schedule.

D. Helps identify dependencies

D is the correct answer.

The correct answer is D as WBS does not help identify dependencies.

Question - 144

You are in charge of a project that is running behind schedule. Your lead architect approaches you and indicates that should he introduce a change - the project could possibly catch up on lost time. What should be the FIRST thing you should do?

A. It's a great suggestion which can bring the project back on schedule - so go ahead and implement it.

B. Ascertain the impact of the change to your cost and scope and then write a change request and get a formal approval

C. Write a change request and get a formal approval before making any changes

D. Flatly refuse to make any changes

B is the correct answer.

Both options of refusing to make the change outright or making the change immediately without analyzing are incorrect - so clearly options A and D are not the right choices. The question asks about what you should do first - so though writing a change request and getting an approval is logical - even better is to first ascertain the impact of the change. You already know that the change can reduce the schedule but you should also try and find the impact of this change to your other constraints - which are scope and cost - so once you have analyzed the impact of this change - you can now submit a change request and seek approval - hence option B is the BEST course of action.

Question - 145

You are in a very happy state today as you have completed all the deliverables. This was a complex project involving a lot of challenges - but with good management and a motivated team things have been completed successfully. What should you do next as a project manager?
A. Perform Quality Control

B. Update lessons learned

C. Verify scope

D. Disband the team

B is the correct answer.

The question is looking for details related to the closing process group. Scope verification is performed during the monitoring and controlling process group. So is the case with Perform Quality Control. One of the most important things to do during project closure is to create the lessons learnt prior to disbanding the team. The correct answer is option B.

Question - 146

Your company has won a prestigious project which deals with building software to be used on spaceships landing on the moon. After building the schedule network diagram - you identify the critical path and also a number of Near-Critical Paths. What does this mean with respect to Risks related to Project Schedule?

A. The project is at high risk of meeting its schedule considering additional near critical paths

B. The project has no risks of meeting its schedule considering additional near critical paths

C. Near Critical Path will have no impact on the schedule - hence no risks at all

D. The Near Critical Path activities have a lot of Float - so there is no fear of not meeting the project completion.

A is the correct answer.

The correct answer is A - greater the number of near critical paths greater the risk of the project not meeting its scheduled completion dates. This is because the Near Critical Path activities will have very little float - so thereby hardly any flexibility - so any slippages in these tasks - in addition to tasks on the Critical Path can lead to schedule slippage. This is why Options B, C and D are incorrect.

Question - 147
You and your team have just created a schedule network diagram. You have come up with the estimates and have defined the durations and subsequently have identified the Critical Path. You now decide to do a Forward Pass through the Schedule Network Diagram - what would you be calculating?

A. The Early Start and Early Finish for each activity
B. The latest start and latest finish for each activity
C. The duration of the other paths
D. The duration of the critical path

A is the correct answer.

The correct answer is - A. Option C and D are incorrect as the Forward Pass is not used to calculate the duration. In fact, based on duration, the critical path is calculated. Option B talks about Late Start and Late Finish - which are calculated using Backward Pass. Using 'Forward Pass' - we calculate the Early Start and Early Finish of all the activities in the network diagram.

Question - 148

You and your team have done extensive brainstorming and discussions. You have also looked up the Organizations process assets and have come up with an exhaustive list of risks. You and your team members feel fairly confident now that you know all the risks. You decide to prioritize the risks and only focus on the high priority ones. A team member indicates that a large number of risks have very low priority. She suggests we simply ignore them. You disagree and decide to maintain a list of such low priority risks. Where will you maintain these low priority risks?

A. Risk Register
B. Risk Management Plan
C. Watch List
D. Issue Log

C is the correct answer.

The risks have been identified - in the Risk register. Based on prioritization risk priorities are also updated in the risk register. All risks which are deemed low on priority though maintained in the Risk Register are maintained in the Watch List specifically. The Risk
Management Plan and the Issue Log are not meant to note or log risks - so the correct answer is Watch List.

Question - 149

All of the following are false regarding the project scope statement:

A. Describes the projects deliverables and the work required to create these deliverables.

B. Project scope statement is expanded from the Preliminary Project Scope Statement.

C. It defines what is in scope and what is not in scope.

D. It defines the Project's product acceptance criteria.

D is the correct answer.

All the options except option D are true regarding the project scope statement. The acceptance criteria are not defined in the Project Scope Statement. Rather they are taken care of in the Scope verification process.

Question - 150

A software development project has been awarded to one of the many vendors. Your company and the vendor have agreed to build this project using the Waterfall Methodology. You decide to check with the progress regarding when development will start. The Vendor informs you that the actual Development can only start after completion of the Design. Which type of relationship best describes the dependency between Design and actual Development?

A. Finish-to-Finish

B. Finish-to-Start

C. Start-to-Start

D. Start-to-Finish

B is the correct answer.

The correct answer is Option B - Finish-to-Start which means that the Successor Activity cannot start without the Predecessor activity completing. In this case the Design is the
Predecessor activity and Development is the Successor Activity. So here Development (Successor Activity) cannot start without completion of Design (Predecessor Activity).

Question - 151

Your friend who works as a project manager in a pharmaceutical company meets you over dinner. You see a drastic change in his temperament as compared to when you last met him. He seems dejected and complains that in his present organization - as a project manager - he has almost no authority and hardly any decision making ability. What kind of an organizational structure does your friend work in?

A. A Product organization
B. A Functional Organizational Structure
C. A Strong Matrix Organizational Structure
D. A Projectized Organizational Structure

B is the correct answer.

Your friend works in a Functional Organizational Structure. In such an organizational structure all the power and authority resides with the Functional Manager. Such organizations are hierarchial in nature - where each employee has one clear superior. People are grouped by specialities (Functional) - Example - Mechanical, Accounts, Marketing etc. These departments work independently of each other. So the correct answer is option B - Functional Organization.

Question - 152

A weighted average duration estimate to calculate duration is called:

A. PERT
B. CPM
C. GERT
D. pareto chart

A is the correct answer.
A is the correct answer. Program Evaluation and Review Technique (PERT): Uses a weighted average duration estimate to calculate duration. Uses the probability of an estimate's accuracy. Expected Time = (Low + 4*Medium + High) / 6

Question - 153

Which type of relationship is often used in Precedence Diagramming Method (PDM)?

A. Finish-to-Finish
B. Finish-to-Start
C. Start-to-Start
D. Start-to-Finish

B is the correct answer.

Option B is the correct answer - Finish-to-Start. This means that Successor Activity cannot happen till Predecessor Activity completes.

Question - 154

You are managing a project related to building a skyscraper. However as per regulations no work can be started till the government body has approved and provided necessary clearance. This is an example of what kind of dependency?

A. Mandatory Dependency
B. Hard Logic
C. Discretionary Dependency
D. External Dependency

D is the correct answer.

The correct answer is D - this is an externally imposed or mandated dependency. Options A and B are both the same and are not the correct choices.
Question - 155

The primary benefit of meeting Quality Requirements are (Choose all that apply)

A. Less Rework, Higher productivity, Lower costs, Increased stakeholder satisfaction, Increased profitability.
B. Decreased productivity due to time spent on Quality Requirements.
C. Increased costs due to rework.
D. Decreased stakeholder satisfaction.

A is the correct answer.

Option A is the correct answer - All of the details stated are correct benefits of meeting Quality Requirements. By doing a cost benefit analysis of each quality activity - we can compare the cost of Quality with expected benefit. Options B, C and D in fact are results of poor Quality.

Question - 156

Which of the following statements is TRUE regarding Fixed Price Contract

A. The buyer has the least risk in this type of contract if scope is clearly defined
B. Changes can be made in scope by the buyer with no impact to cost
C. Should be the choice of contract when you need work to begin right away
D. All of the above

A is the correct answer.

Did you choose option D? - if so read again - which options sound incorrect? Changes to scope cannot be made without a cost implication - infact this is best applicable when the seller clearly defines the scope. If work needs to begin right away the contract type should be Time and Money - not Fixed price since you may not have everything clearly defined. So the right answer is option A.

Question - 157
Control chart helps:

A. determine if the process is "in control"

B. how various elements of a system are interrelated

C. showS trends in a process over time

D. shows the pattern of a relationship between two variables

A is the correct answer.

Control Charts: Control charts are graphic display of the results over a time of a process. They are used to determine if the process is "in control".

Question - 158

You are managing a project that is responsible for setting up an alcohol distillery. Your team is in its eighth month of execution. One of the vendors informs you that the agitators delivery is going to be delayed by a week. You look up the project management plan and the schedule baselines and decide to set up all the reactors first. Based on your analysis by moving tasks around you see that there would be no impact to any of the performance measurement baselines. What should you do next?

A. Go ahead and execute the rescheduled tasks as there is no impact to any of the baselines

B. Write up a change request and submit to change control for approval

C. Analyze the impact of the change to the triple constraints and then submit a change request

D. Do nothing as this would cause changes to the baselines

A is the correct answer.

Be careful and read carefully regarding the situation you are being asked to evaluate. In this case the change is not going to impact any of the baselines. In such cases the project manager has the authority to make changes to the project if there is no impact to the baselines. This is one condition where changes can be made without undergoing change control - but note that this is done after ensuring that there is no impact to the baselines - so the correct answer is option A.
Question - 159

Which of the following statements are true regarding Control Account?

A. It is used as a Tool and Technique in Activity Definition process.
B. Used to estimate cost at a level lower than the work package.
C. Used to control costs of the project.
D. Used in Integrated Change Control.

A is the correct answer.

Control Accounts are used to provide a cost estimate at a level higher than the work package. They are used as a technique in activity definition process. They are not used to control costs of the project and neither in Integrated change control. So the correct answer is option A.

Question - 160

Given a project which reports a CPI less than 1 - you have asked one of your managers to generate the TCPI - what formula should the project manager use in this case?

A. \( \frac{(BAC - EV)}{(BAC - AC)} \)
B. \( \frac{(BAC - EV)}{(EAC - AC)} \)
C. \( \frac{EV}{AC} \)
D. \( \frac{EV}{PV} \)

B is the correct answer.

The correct answer is Option B - Option A is to be used when the project is within budget - in our case the CPI value is less than 1 so - the project is not within budget. Option B is to be used when the project is over budget - which is the case for us - so it is the correct formula to use. Options C and D are not TCPI formulaes - they are the CPI and SPI calculations so they are not the correct choice.

Question - 161
In which process "meeting" is not used as Tools and Techniques.

A. Identify Stakeholders

B. Plan Stakeholder Engagement

C. Manage Stakeholder Engagement

D. Monitor Stakeholder Engagement

C is the correct answer.

"meeting" is not used as Tools and Techniques in Manage Stakeholder Engagement process.

Question - 162

While planning for a project you decide to keep a good grip over project risks. You and your team members have come up with the list of possible risks and would now like to prioritize them based on their probability and impact. This activity would take place in which process?

A. Perform Qualitative Risk Analysis

B. Perform Quantitative Risk Analysis

C. Risk Identification

D. Risk Register

A is the correct answer.

After the Risks are identified - risk prioritization based on impact and probability is done in the Qualitative Risk Analysis. The question states that the risks are already identified - so Risk Identification is already done. Risk Register is an output of the Risk Identification process - there is no such process as Risk Register. Quantitative Risk Analysis deals with assigning a numerical value to each risk - so the correct answer is Qualitative Risk Analysis.

Question - 163

Which hierarchical chart shows all the tasks in a list?

A. RBS
B. OBS

C. WBS

D. Scope statement

C is the correct answer. Work Breakdown Structure shows all the tasks.

Question - 164

Which of the following is NOT part of the Control Quality process?

A. fishbone diagram
B. Quality audits
C. Pareto Diagram
D. Histogram

B is the correct answer. Quality audits are part of the Manage Quality process.

Question - 165

You have a team of project managers reporting to you. Recently a new manager relatively inexperienced has joined your team. Considering his level of experience you assign him to a small project. Considering low complexity and few stakeholders involved - you envision the project to have no surprises or hiccups. You have identified the number of communication channels to be only 6. However with increase in scope of work 2 additional stakeholders who need to be communicated with join the team. You ask the manager to identify the number of communication channels now. The correct answer is:

A. 6
B. 10
C. 8
D. 15

D is the correct answer.

The correct answer is 15. Note that the question provides the initial number of communication channels as 6. This means the number of stakeholders are 4. With the addition of two more stakeholders - the number of stakeholders would increase to 6. So the number of communication channels would be 15.

Question - 166

You are managing a project which is in its first month of execution. In one of the meetings with a key stakeholder - the stakeholder asks for some changes to be made in the current ongoing work. The stakeholder is asking for the change to be implemented immediately. You realize that the changes being asked for will need the Project Management Plan and the Scope baseline to be updated which have already been baselined. As a Project manager what is the BEST course of action?

A. Make the changes as they are being asked for by a key stakeholder
B. Analyze the impact of the change to triple constraints
C. Generate a change request and submit to Integrated change control
D. Refuse to make the change as it is a deviation from approved Scope

C is the correct answer.

Any changes being asked for or requested to any approved plan need to be formally reviewed by the Change Control Board. Option A is not the correct answer as no changes should be made without a formal approval from CCB. Option B while sounds like the best choice the question states the impact of the change to the scope - so the impact analysis to 'triple constraints' is already done - so though option B is the best choice - it is already taken care of. Option D is clearly incorrect as any project is bound to have changes and the very purpose of change control is to ensure changes are governed and controlled in a systematic manner - hence the correct answer is Option C.

Question - 167

Comparing target dates with the actual or forecast start and finish dates is called:

A. Variance Analysis
B. Earned Value
C. Progress Reporting
D. Crashing

A is the correct answer.

A is the correct answer. Variance Analysis: Comparing target dates with the actual or forecast start and finish dates.

Question - 168

You are in charge of a large software development project. As a part of the project schedule it was planned to complete two core components by the end of October. You are now in August and you realize that the project is falling behind schedule. You do a quick review and decide that the schedule can be met by adding additional staff to the activities on the critical path. This is an example of:

A. Fast Tracking
B. Resource Levelling
C. Crashing
D. Scope Creep

C is the correct answer.

The correct answer is option C - As the project is falling behind schedule and deliveries cannot be impacted - the manager has chosen to add additional resources to activities on the critical path. This is an example of Crashing - NOTE Crashing may result in increased risk and rework.

Question - 169

You are in the process of determining how long it would take to complete your project. What would be the best tool to use in this case?

A. Go through the WBS
B. Go through the Activity List
C. Perform a Root Cause Analysis
D. Use a Network Diagram

D is the correct answer.

The correct answer is Option D - A Network Diagram is the best choice to identify the Activity Duration.

Question - 170

A project is over budget when
A. CPI > 1
B. SPI > 1
C. CPI and SPI > 1
D. CPI less than 1

D is the correct answer.

The correct answer is D - CPI = EV / AC - so if the EV is less than AC then CPI less than 1 which means the project is over budget.

Question - 171

You and your team have worked hard and are about to successfully deliver the project. The customer is also happy with the deliverables and overall everyone is happy with how the project was delivered. You have written up the performance reviews of each individual in the project team. As a Project Manager in your current organization you know that the team will get disbanded and in the next project you may not get the same team members who so successfully delivered the current project. What kind of Organization Structure does this represent?

A. Weak Matrix
B. Balanced Matrix
C. Projectized

D. Functional

C is the correct answer.

This represents a Projectized Organization structure. In a Projectized organization teams are disbanded at the end of the project. In a Functional organization teams report to the Functional manager and are never disbanded. They continue in their own departments and continue to report to the Functional Manager. A weak matrix organization is very similar to a Functional Organization and role of Project Manager is limited. In a balanced matrix organization staff reports to a Project manager and a Functional Manager - in the question above there is no mention of a functional manager - so Balanced Matrix is also not the correct option. Hence the answer is Projectized - Option C

Question - 172

The process of communicating and working with the stakeholders to meet their expectations, address issues and foster appropriate stakeholder engagement in project activities throughout project lifecycle is called __________?

A. Plan Stakeholder Engagement

B. Identify Stakeholders

C. Manage Stakeholder Engagement

D. Monitor Stakeholder Engagement

C is the correct answer.

The process of communicating and working with the stakeholders to meet their expectations, address issues and foster appropriate stakeholder engagement in project activities throughout project lifecycle is called Manage Stakeholder Engagement

Question - 173

Choose all that are true regarding Management Reserves and Contingency Reserves

A. Management reserves are part of Cost Baseline but Contingency reserves are not

B. Contingency Reserves are for unknown unknowns
C. Management Reserves are for known unknowns

D. None of the above

D is the correct answer.

The correct answer is D - none of the above. Contingency Reserves are part of cost baseline while Management reserves are not - so Option A is clearly incorrect. Contingency Reserves are meant to take care of risk mitigating cost for identified risks - they are the costs of known unknowns while Management reserve is for unknown unknowns - things like unforeseen work which is part of the scope. Options B and C state exactly the opposite - so they are not the correct answers - which leaves us with D - None of the above.

Question - 174

You are managing a project that is scheduled to un for an entire year. Things were looking good after the first two months. However due to some mistakes made by the construction crew at the end of the third month - you realize that the expected work to be completed at this stage is not complete. As a result the project is behind schedule and is also over budget. However there are stiff penalties in the contract should the project not complete within the stipulated timelines. Your senior management as a result has committed to additional staff to the project if required. What would be the Estimate at Completion for this project?

A. EAC = BAC / CPI

B. EAC = AC + BAC - EV

C. EAC = AC + (BAC - EV)/(CPI * SPI )

D. EAC = AC + Bottom up Estimate

C is the correct answer.

The correct answer is C - Option A is to be used if past CPI is expected to continue. Option B is to be used if future work is going to be performed at the planned rate. Option C is to be used if deadlines must be met and both CPI and SPI influence remaining work - here the project must be completed within stipulated timelines. Option D is to be used when the initial plan is no longer valid - which is not the case here.

Question - 175
One of your project managers reports that her project has hit a roadblock. You are surprised since just the week before on reviewing the project everything seemed to be on track. She explains that a team member has identified a problem which was never envisioned in the risk identification process. Based on the analysis the impact would be to the cost to rectify the issue. What would be the best course of action?

A. Add this risk with its impact and probability to the Risk register.
B. Use the Management reserve to correct the issue
C. Use the Contingency reserve to correct the issue
D. Schedule a meeting with stakeholders and explain the problem

B is the correct answer.

The best course of immediate action on identifying a risk is to add it into the risk register along with its probability and impact. That is applicable for risks and not issues! In this case the risk has already occurred - it is no longer a risk - it's a reality - an issue! While scheduling a meeting is an option it's not the best choice. Being a project manager you are empowered and calling up meetings every time you run into issues would not be looked upon favorably. The correct answer is using the management reserve which is meant for unknown risks when they occur. Contingency reserves are meant to be used for known risks when they occur.

Question - 176

Of the following baselines which is not a part of the Project Management Plan?

A. Scope Baseline
B. Quality Baseline
C. Cost Baseline
D. Schedule Baseline

B is the correct answer.

The project management plan contains the following baselines: Scope, Schedule and Cost. In fact there is no such thing as a Quality Baseline - so the correct answer is option B.
Question - 177
A company wants to hire a PMP, and you are applying for the position in the company. You are scheduled to take the PMP exam in a few days. At your interview, a comment is made implying that you are PMP certified. What do you do?

A. Clarify that you are scheduled to take your PMP certification exam soon, but are not yet PMP certified.
B. Confirm that you are a PMP certified and you will be certified soon if you pass the exam.
C. Both of the above are true.
D. None of the above

A is the correct answer.
You have the responsibility to provide accurate, truthful representations concerning your qualifications, experience, and performance of services to a company.

Question - 178
A project is reporting a negative Cost Variance - what does this mean?
A. The project is under Budget
B. The project is over Budget
C. The project is running as per Budget
D. None of the above

B is the correct answer.
The correct answer is - B : CV = (EV - AC) So if the Cost Variance is in the negative the Actual Cost is greater than the earned value which means the project is running over budget.

Question - 179
Which of the following is not a Risk Identification tool or technique?
A. Risk Register
B. Documentation Reviews
C. Brainstorming
D. Interviewing

A is the correct answer.

Documentation reviews helps identify risks based on the plans and assumptions - so this is a Risk Identification tool. Brainstorming deals with getting together various stakeholders and identifying potential risks. Interviewing experienced project participants, stakeholders and subject matter experts is also a great source of identifying risks. Risk Register is not a tool - rather it is the document in which identified risks are documented - so the Risk Register is not a Risk Identification tool.

Question - 180

As a project manager of a large product - you and your team have shipped the deliverables to your customer. However the customer has reported a number of serious issues in the quality of deliverables - as a result of which the cost of quality of your project is deemed high. In the above scenario which type of cost would have caused the cost of quality to increase?

A. Less Rework.
B. Higher productivity.
C. Lower costs.
D. Increased stakeholder satisfaction.

D is the correct answer.

Options A, B and C are benefits of meeting Quality Requirements. The question states what has contributed to increased cost of Quality. As the stakeholder is not satisfied with the deliverables - there is rework involved, there is an impact on productivity and increases cost. It also decreases stakeholder satisfaction - so amongst the choices option D is the correct option.

Question - 181
Project Quality Management includes:

A. Customer satisfaction
B. Prevention over inspection
C. Continuous improvement
D. All of the above

D is the correct answer.

Project Quality Management includes: Customer satisfaction, Prevention over inspection, Continuous improvement and Management responsibility.

Question - 182

A relatively new project manager joins your company. You have assigned her to handle a project that deals with laying out electrical cables. One day she informs you that some government body has been sending her a lot of queries related to the project and its layout. It seems that the government body was not considered as a stakeholder by her. You decide to review the list of identified Stakeholders - so you ask her to provide you with the comprehensive list - where should this information be found?

A. Project Management Plan
B. Stakeholder Management Plan
C. Stakeholder Engagement Matrix
D. Stakeholder Register

D is the correct answer.

Stakeholder information contains information such as details of stakeholders - name, location etc, their expectations, interest, influence. Whether they are internal or external, are they supportive or in resistance or neutral. So the best source of information regarding stakeholders is the Stakeholder Register which is option D

Question - 183

A project is in execution. A team member approaches the project manager and indicates that
she is not sure of what work she needs to perform. Which document would be the best source of this information?

A. Project Scope Management Plan  
B. Project Scope Statement  
C. Project Management Plan  
D. Work Breakdown Structure Dictionary  

D is the correct answer. 

The correct answer is Option D - WBS Dictionary which provides details of the work to be done in detail.

Question - 184 

Which of the following statement is true regarding Procurement Documents  

A. These are the response documents provided by Seller to the Buyer.  
B. It is the formal agreed contract between the buyer and seller  
C. It is used to solicit proposals from sellers and contains details of expected services or work to be done  
D. Describes how product or services will be acquired externally and type of contract to be administered  

C is the correct answer. 

Procurement documents are used to solicit responses from sellers. As such it contains sufficient information regarding the work in the form of Procurement statement of work. Option A is incorrect since this document serves as an input for sellers to provide response and it is not the response of the seller. This is not the contract as we are still looking for prospective sellers. Option D is wrong since it is the Procurement Management plan which determines how product or services will be acquired externally and type of contract to be administered. The correct answer is option C.

Question - 185
You have a large complex project to deliver and you are evaluating different motivational strategies to motivate your team to get the job done. You subscribe to the belief that to get things done and to motivate staff - they must be rewarded with monetary rewards. You believe that by rewarding employees they would get motivated - which of the following motivational theories are you applying?

A. Herzberg Hygiene Theory
B. Maslows theory of Hierarchy of needs
C. Expectancy theory
D. Theory of coercion

C is the correct answer.

Herzberg's Hygiene theory states that it is the Job content that motivates staff - so in this case Option A is not the correct answer. Maslows theory of Hierarchy of needs indicates the levels of needs starting with Physiological needs and ending with Self Actualization - so Option B is not correct as well. Vrooms Expectancy theory states that employees can be motivated by altering the person's effort-to-performance expectancy, performance-to-reward expectancy, and reward valences - so Option C is correct. Option D is clearly incorrect as the question does not indicate any imposed mandates or threats which would fall under Theory X style of management.

Question - 186

Which of the following statement is NOT true regarding starting a project without a charter?

A. There is a risk of constant change without a formal approved charter
B. There is no risk of greater number of changes and disruption without a project charter.
C. Managing expectations of different stakeholders can be an increased challenge without a formal approved charter
D. The project manager will be undermined since the project manager would lack formal authority.

B is the correct answer.

All the options A, C and D correctly state the disadvantages of starting a project without a formal approved charter. These are the very reasons why a project should not be started without an approved charter where risks of constant change, managing stakeholder expectation, lack of visibility of project's vision, mission, business case and also lack of
authority to the project manager to execute the project. So the correct answer to the question is option B since it incorrectly states that there is no risk of increased changes without an approved project charter.

Question - 187

A project is ahead of schedule when

A. CPI > 1
B. SPI > 1
C. CPI and SPI > 1
D. SPI less than 1

B is the correct answer.

The correct answer is B - SPI = EV / PV - so if the EV is greater than PV then SPI > 1 which means the project is ahead of schedule.

Question - 188

You are in charge of a software project and you are almost 40% complete. The project stakeholders want a performance report to date. You had planned to use Earned Value Management methodology. You come up with the following numbers: EV = 300 AC = 100 PV = 150 BAC = 600 ETC 300 You and your team are very confident of continuing at the same rate as till now. The project has not faced any major issues and you and your team's confidence level is high that the project would complete without any hiccups. Based on this information what would be the EAC for the project?

A. 400
B. 200
C. 400
D. 106

B is the correct answer.
The correct answer is B - this is because here it is stated that whatever issues or lack of them experienced in the project are expected to continue - so here the past performance is expected to continue. So the formula: EAC = BAC / CPI. CPI = EV / AC = 300 / 100 = 3 EAC = 600 / 3 = 200

Question - 189

As a project manager you understand the importance of identifying all relevant stakeholders, their interest and influence and their needs and expectations. You have been assigned to handle a large construction project. You decide to do a thorough stakeholder analysis and you identify Bob and Kelly. Based on your interactions and analysis - you know that Bob wields a lot of authority and also has a huge interest in the project. Kelly too wields a lot of power but is largely uninterested. You decide to plot them in a Power / Interest grid to help determine how you would manage these stakeholders. Which of the following is the best approach to handle these two stakeholders?

A. Both Bob and Kelly should be Managed closely.
B. Both Bob and Kelly should be Kept satisfied.
C. Kelly should be monitored while Bob should be Kept satisfied.
D. Kelly should be kept satisfied while Bob should be Managed closely.

D is the correct answer.

Both Bob and Kelly have power and authority. However the differentiator seems to be their level of interest. While Kelly is disinterested Bob has a high level of interest in the project. Stakeholders who have a high level of interest and who wield a lot of authority or power should be Managed closely - in this case Bob. Stakeholders who have a low level of interest but who wield a lot of authority or power should be Kept satisfied - in this case Kelly. The correct answer being - Option D

Question - 190

Regarding Rolling Wave Planning which of the following statements are true - choose all that apply?

A. Rolling Wave Planning is a form of progressive elaboration.
B. It is a planning technique performed only once.
C. Work that is to be performed in the long term is planned in greater detail as compared to
work in near term

D. It is a form of planning where all the details are estimated upfront.

A is the correct answer.

Option A is the correct answer which correctly explain Rolling Wave Planning. Option B, C and D are clearly not correct since not all details are estimated upfront - rather only the immediate activities or tasks are estimated upfront. This process is performed iteratively and not only once.

Question - 191

You have worked in the current organization and from managing projects you have now graduated to portfolio management and have a number of project managers reporting into you. Your company has bagged a prestigious project of a very similar nature to the one you had executed some years back. You ask the current project manager to look up the lessons learned for the past project - where would these be stored?

A. Projects performance reports
B. Projects status reports
C. Projects record management system
D. Organizational process assets

D is the correct answer.

While all the options seem to be good choices - the best choice in this case would be Organizational Process Assets. Lessons learned are always a part of the Organizations process assets. It is such assets that enable an organization take informed decisions.

Question - 192

Your company has just bagged a project for electric cable layout and routing for a large shopping complex - and you have been tasked with providing the cost estimates. You choose to rely on your past experience of similar such projects. You breakdown the costs of the cables per foot and unit cost of cable trays. What type of cost estimating technique are you relying on?

A. Analogous cost estimate
B. Top down cost estimate
C. Bottom up cost estimate
D. Parametric estimates

D is the correct answer.

Parametric estimates is the correct choice - this is so because we have derived the cost per unit - cost of cables per feet etc. Based on the unit cost parametric estimates are used to determine an estimate of the total cost.

Question - 193

When does Scope Verification Occur?

A. At the end of the project
B. At the beginning of the project
C. At the end of each phase of the project
D. During Quality Control

C is the correct answer.

Scope Verification occurs at the end of each phase of the project. Option A relates to Product verification not Scope verification.

Question - 194

Which of the following statements below is NOT true regarding differences between administrative closure and contract closure?

A. Contract closure is performed before administrative closure
B. Administrative closure is not complete without Contract closure
C. Administrative closure is done only once per phase or once for the project - while Procurement closure can be done as many times as needed depending on the number of contracts
D. Lessons learned is performed only during administrative closure

D is the correct answer.

All the options except Option D correctly state the differences between administrative and contract closure. In fact, option D is not true since in both forms of closure, lessons learned are documented and updated to the OPA.

Question - 195

You are responsible for managing a project that deals with laying out a freeway connecting two major port cities. Progress in the past has been smooth but lately in the past few months you have observed a schedule and budget overrun. You decide to hold a meeting with your team members. On discussions you realize team members went ahead and made changes at the behest of the client requests on site. You are pretty sure the changes were not a part of the project scope statement - this is an example of:

A. Scope Creep
B. Gold Plating
C. Integrated Change Control
D. Fast Tracking

A is the correct answer.

This is an example of Scope Creep. Integrated change control deals with formally approving or rejecting changes before they are implemented so it is not the correct answer. Fast tracking is a schedule compression technique - so it too is not the correct answer. While Gold Plating is related to change in scope it is generally done intentionally or knowingly for some strategic purpose. Scope creep relates to uncontrolled changes in product or projects scope and is often due to client interference.

Question - 196

You are part of a Quality Assurance team and have scheduled a Quality Audit for one of the projects - what would not be a goal or objective of performing this audit?

A. To determine if the project activities comply to the organizations policies, processes and procedures
B. Identify all the good and best practices being implemented

C. Identify all gaps, non-conformity and shortcomings

D. Identify the root cause of the Quality issues

D is the correct answer.

Option A, B and C are the objectives or goals of this exercise. The purpose of the audit is to identify what is working well, what is missing but never to find root cause of issues - which is done in Process analysis. Since the question is asking what is not a goal or objective of performing a Quality Audit - option D is the correct answer.

Question - 197

As per Maslows theory of Hierarchy of needs - which is the correct order of needs?

A. Psychological, Physiological, Safety, Love / belonging, Esteem

B. Safety, Love / belonging, Esteem, Self-actualization, Physiological

C. Self-actualization, Love / belonging, Esteem, Safety, Physiological

D. None of the above

D is the correct answer.

Option D is the correct answer. As per Maslows theory of Hierarchial needs - the first need of humans is a basic need for survival (air, water, food etc.) - this need is termed as Physiological. Once this need is met - the next need is the need of Safety and Security - this can be in the form of a Secure Job, Health, Insurance etc. The next need is termed as need of Love or Belonging. As per Maslows theory - humans need to belong and find acceptance among their social groups. The fourth need is termed as the need of Esteem - to be respected and valued by others. Once the above four needs are met - then the final need - Self Actualization - which is the desire to accomplish. So the correct order of needs as per this theory is: Physiological, Safety, Love/Belonging, Esteem, Self-actualization.

Question - 198

You have just completed developing the Schedule Network Diagram for a project that deals with building super sonic state of the art Jet planes. You have identified your critical path
which includes building a wind tunnel. You see that in addition there is another path which deals with building the tail of the plane - whose duration is close to the critical path. You also notice considerable floats on the other paths. You now need to assign resources to the tasks - you have a few team members who are highly skilled and a team of resources who are relatively inexperienced. What would be the best course of action while assigning resources?

A. It is irrelevant which resources are assigned to tasks - resource skills and critical paths have nothing in common

B. Assign all the skilled resources to building the wind tunnel which is the critical path - assign the non skilled task to building the tail.

C. Assign the inexperienced staff to the task of building the wind tunnel - and assign the skilled task to all other tasks.

D. Assign one half of the skilled resources to the task of building the wind tunnel and the other half to building the tail and assign the less experienced staff to all the other tasks.

D is the correct answer.

Option D is the best option. Option A and C are just plain wrong - you should always ensure activities on the critical path do not get delayed - so having the best equipped staff on critical path activities is important. While Option B is an option - it cannot be the BEST choice since if we assign all the experienced staff on building the wind tunnel - the critical path activities are taken care of - but the question also states of a path which is near Critical - building of the tail. Not paying attention to this path by assigning inexperienced staff is not a good option. Amongst the choices option D is the best fit - where you are paying attention to both the critical path and near critical path by assigning your best and most skilled or experienced resources to the activities on the Critical path and Near Critical Path.

Question - 199

John who is a software programmer is developing a framework for calculating equity prices. He comes up with an idea that would give very accurate calculations and discusses it with his manager. His manager likes the idea but realizes that this would cause an impact to the original effort estimate and thereby impact the business objectives as stated in the project charter. He goes ahead and updates the Project charter. Should he have updated the charter?

Choose the MOST appropriate answer

A. Yes - he is right in updating the charter

B. No - a project manager cannot update the project charter

C. Yes - as long as the charter is circulated with all stakeholders

D. No - any change to charter should only come from project sponsor not the project manager
D is the correct answer. The correct answer is option D. Option B is correct but D states the details correctly as to who is responsible for managing changes to the charter.

Question - 200

What is the purpose of the Project Charter?

A. Authorizes Project Manager
B. Defines Project Scope
C. Defines schedule of deliverables
D. Defines Quality Metrics

A is the correct answer. A project charter formally authorizes the project and gives the project manager the authority to assign organization resources to the project. It provides a formal authorization of project and identification of a project manager and authority to assign organizational resources. So the correct answer is option A.