



# **PMP Question Bank**

**(1440 Questions)**

# Question Set 1

Total Questions:  $10 + 10 + 25 + 10 + 11 + 10 + 26 + 15 = 117$

**1. Your developer has provided u with an estimate based on the “cost per line of code”. What type of estimate did the developer use to provide this information?**

- A. Parametric estimating.
- B. Bottom-up- estimating.
- C. Analogues estimating.
- D. PERT estimating .

**2. A definitive estimate is:**

- A. Top-down estimating.
- B. Created during initiation.
- C. Within a range of -10% to +25% of actual.
- D. The most expensive to create.

**3. all of the following are inputs to the cross-budgeting process expect?**

- A. cost estimate.
- B. project schedule.
- C. risk management plan.
- D. Deactivate duration estimates.

**4. Analogues estimating is a tool technique used in both Time and Cost management process. What is the best description of how analogues estimating is performed?**

- A. by-bottom-up estimating techniques.
- B. obtaining management option's of the estimate of each task.
- C. by-top-down estimating techniques.
- D. based on historical costs.

**5. Cost budgeting is defined as**

- A. the estimated total cost of the Project when done.
- B. allocating the cost estimates to the individual work items.
- C. developing estimates of the cost of the resources needed to complete project activities.
- D. the sum of the approved cost estimates.

**6. Due to recent company downsizing u can only authorize 1 of the 2 projects u really planed to complete this year. You have decided to select the project with the NPV of \$95k and proceed to cancel the other project which had an NPV of \$37k what are the opportunity costs associated with this new decision?**

- A. \$37k
- B. \$95k
- C. \$123k
- D. \$58k

**7. Analogues estimating is a form of**

- A. earned value.
- B. expert judgment.
- C. cost planning
- D. parametric modeling.

**8. Two projects have exactly the same pay back period but project A has a smaller IRR than project B. You should choose**

- A. project A.
- B. project B
- C. there is no difference
- D. there is not enough information available

**9. The expected accuracy level of estimates during the initiation phase of project should be:**

- A. -25% to +75%
- B. -10% to +25%
- C. -35%to +75%
- D. -10%to +10%

**10. Analogues estimating is most accurate when:**

- A. previous projects are similar in fact not just appearance.
- B. there is a relationship between the cost being estimated and known parameter.
- C. the historical information used to develop the model is accurate.
- D. work items are very small.

## **ANSWERS**

- 1-A
- 2-D
- 3-D
- 4-C
- 5-B
- 6-A
- 7-B
- 8-B
- 9-A
- 10-A

**1. Should historical information be used during resource planning?**

- A. no, since there is rarely any correlation between resource expectations on one project when compared to another.
- B. Yes, as historical information is available can provide insight into what type of resources were required on previous projects of similar nature.
- C. No, since historical information is usually misleading, given the cost of resources have undoubtedly changed since the completion of the prior project.
- D. Yes, since historical information can be easily adjusted to accurately determined current project costs.

**2. Analogous estimating is a :**

- A. "bottom-up" estimating technique.
- B. "drop-down" estimating technique.
- C. more costly and more accurately estimating technique.
- D. technique used when you have no subject matter experts available.

**3. Cost estimates:**

- A. are usually presented at a detailed level.
- B. can be presented in summary of detail.
- C. are summarized for senior management.
- D. are provided in detail for senior management.

**4. In cost monitoring, the s-curve depicts the relation between:**

- A. Schedule completion and time.
- B. Cumulative value and time.
- C. Schedule completion and value resources.
- D. resources and time

**5. In order to produce a cost base line, the project manager requires**

- A. Work packages, work breakdown structure and project schedule
- B. cost estimates, work breakdown structure and the project schedule.
- C. cost estimates, work packages and project schedule.
- D. cost estimates, work packages and work breakdown structure.

**6. Which of the following is an indirect cost?**

- A. Units of Production.
- B. Lights in the Project War Room.
- C. Tax cost of Salary of project developers.
- D. Paper purchased by the project.

**7. Which of the following method is not a depreciation method ?**

- A. Units of production.
- B. Some of year's digits
- C. Declining balance
- D. Straight line

**8. An order of magnitude estimate is not also known as**

- A. a control estimate.
- B. a ball park estimate.
- C. a conceptual estimate
- D. a preliminary estimate.

**9. When the expected cash flow s –curve is above the cost performance base line the project manager should**

- A. investigate the variance to determine if corrective reaction is required.
- B. bring the situation to the attention of senior management for action.
- C. adjust the cost baseline to reflect the actual cost to this point.
- D. do nothing since the project is performing above plan.

**10. Cost estimates may also be expressed in hours days etc, as long as**

- A. it does not result in a misstatement of project cost.
- B. the program manager agrees.
- C. the unit of measure is consistent within the project.
- D. the project manager agrees.

## **ANSWERS**

- 1-B
- 2-B
- 3-B
- 4-B
- 5-B
- 6-A
- 7-B
- 8-A
- 9-A
- 10-A

**1. What is the Delphi technique?**

- A. A simulation technique.
- B. A mathematical analysis.
- C. A constrained optimization method.
- D. A consensus technique.

**2. What is the process of splitting a deliverable into smaller more manageable parts called?**

- A. Scope definition.
- B. Decomposition.
- C. Activity definition.
- D. Activity lists.

**3. The WBS helps the team of FOCUS! It is an excellent tool for communications and the basic for developing realistic estimates. You can best describe a WBS as a tool for the tracking of the:**

- A. the schedule
- B. assigned resources
- C. project costs.
- D. project scope.

**4. The WBS is**

- A. a description of the product component and subcomponents.
- B. a breakdown of the project reporting structure.
- C. a structure that defines the scope baseline for the project.
- D. a structure that defines work assignments by organizations.

**5. You and several of your key team leader are really struggling with estimating the overall cost of the project. The most probable cause for this estimating difficulty can be contributed to:**

- A. initial poor scope definition
- B. lack of required resources.
- C. insufficient funds.
- D. problems with the overall schedule.

**6. Which statement is true?**

- A. ideally one should optimize the schedule once.
- B. creating a Gantt chart should only be done once when bidding on the project.
- C. Ideally the base line should only be done once in a project.
- D. ideally constraint dates should be done once in a project.

**7. Which factors should you consider when adding a resource to your project team?**

- A. The impact the resource will have on the cost of the system
- B. The impact the resource will have on the duration of the system
- C. The impact the resource will have on the histogram.
- D. Whether the resource is available, and if it will have impact on the cost and duration of the system

**8. The Delphi method is best suited for:**

- A. Decision-making
- B. Simulation models
- C. Quality improvement
- D. Team discussions

**9. You are on the project selection team and must decide on only one project to approve. Of the following 2 possible project which would you select and why?**

**Calgary: payback period is 12 months ,and NPV is 350  
Toronto: payback period is 24 months, and NPV is 400**

- A. project Toronto because because the NPV is the highest number.
- B. project Calgary because the payback period is shorter than the project Toronto.
- C. Can not be determined based on the information provided.
- D. project Calgary because the NPV is positive and the payback period is sooner than Toronto.

**10. There are two types of decision model,comparative and constrained that can be used for the project selection during the initiation process.Of the following decision model examples, which one are categorized as benefit measurement or scoring/ rating models?**

- A. Criteria profiling weighted factor,q shorting,Delphi technique,logical frame work analysis, and linear program programming.
- B logical frame work analysis and linear program programming.
- C. logical frame work analysis,criteria profiling,weighted factor,Q shorting and Delphi technique.
- D. Criteria profiling, weighted factor,Q shorting,and Delphi technique?

**11. You are reviewing several feasibility reports.One report shows a benefit cost ratio of 2.1.This means:**

- A. The costs are 2.1 times the benefits.
- B. The profit is 2.1 times the costs
- C. The payback is 2.1 times the costs.
- D. The cost is 2.1 times the profit.

**12. A project has payback period of 1 and a half of years. What does that mean?**

- A. It will take the project one and half years before they start to incur costs.
- B. The project will be completed in less than 2 years.
- C.The company will receive the profits for the first one and half years of the project.
- D. It will take the project one and half years to cover the investment and start generating revenue.

**13. Your technical team leader who you highly respect has identified a design error that will mostly likely interfere with the meeting documented technical performance objectives. The best action to take is to:**

- A . Decrease the performance value to equal the assessed value.
- B. Reduce the overall technical complexity of the project.
- C. Increase the spacificed value to set a new performance goal.
- D. Develop alternative solutions to the problem.

**14. You are currently working for York Automobile,a market leader in manufacturing cars. Due to a shortage in petroleum based fuel as well as advent of new technology, the company has decided to venture into producing electrically powered cars.This project will be initiated due to a :**

- A. Market demand



- B. Business need
- C. Technological advancement.
- D. Social need.

**15. First thing Tuesday morning ,one of your team member drops into your office looking very thrilled. He eagerly tells you he is adding extra functionality to the project without imparting the cost the schedule. As the project manager your first step should be:**

- A. Understand what the new functionality will add to the project and then action accordingly.
- B. Implement change control processes to track the change.
- C. Inform the customer of the change to the scope.
- D. Notify the functional manager that scope changes are not approved.

**16. Linear programming is an example of what type of project selection criterion?**

- A. Constrained optimization.
- B. Comparative approach.
- C. Benefit measurement.
- D. Simulation.

**17. The “rolling wave” or “moving window” advocates the use of WBS decomposition and is used most frequently in the \_\_\_\_\_ process.**

- A. Scope verification.
- B. Scope planning.
- C. Scope definition
- D. Scope reporting.

**18. The engineering department has flagged a concern about the expensive interface cards recommended to purchase for your switch cutover project. They believe they can find a less expensive but acceptable card and submit a `change request to do necessary research. Their request is the result of:**

- A. Input from a contractor that can supply the same interface card at a cheaper price.
- B. An error or omission in defining the scope of the product.
- C. An error or omission in defining the scope of the project.
- D. a value-adding change.

**19. You are conducting a product analysis in scope planning by prioritizing spoken and unspoken customer wows, wants and needs; translating these needs into technical characteristics and specification to build and deliver a quality product or service by focusing everybody toward customer satisfaction. This process is called :**

- A. Analysis system engineering .
- B. Value engineering.
- C. Quality function development.
- D. Function analysis.

**20. Out puts from the initiation process includes:**

- A. project manager assigned ,project character, and product description.
- B. constraints, assumptions, and product description.
- C. Project character ,Constraints, and assumptions.
- D. scope statement, project manager identified, and product description.

**21. The scope management process involves all of the following expects:**

- A. Continuous validations to ensure all the work is completed.
- B. Saying no to work not included in the project or not part of the project character.
- C. Giving the customer more than expected.
- D. Controlling what is and what is not in the project.

**22. As the project manager you will be required to report periodically to upper management on the progress of the project. What item below will you require to report your progress as the basis for the budget ,schedule ,resource allocation and scope definition.**

- A. Precedence diagramming method.
- B. project character.
- C. Work breakdown schedule.
- D. Project management plan.

**23. Calling on subject matter experts for the judgment,would be, used in which of the following scope management process?**

- A. Initiation
- B. Planning
- C. Definition
- D. Change control.

**24. You have negotiated a major deliverable with a contractor several of your colleagues have utilized in the past without problems. Its is critical the contactor meet an August 15<sup>th</sup> deliverable.this is an example of (n):**

- A. Objective
- B. Goal
- C. Constraint.
- D. Assumption.

**25. All of the following are tools for the scope verification expects:**

- A. product reviews.
- B. audit.
- C. product analysis.
- D. walk-throughs.

**ANSWERS**

1. D	11. C	21. C
2. A	12. D	22. C
3. D	13. D	23. A
4. C	14. A	24. D
5. A	15. A	25. C
6. C	16. A	
7. D	17. C	
8. A	18. D	
9. C	19. C	
10. D	20. C	

1. The WBS can be used for which of the followings?
  - A) Communicating with the customers
  - B) Showing calendar dates for each task
  - C) Showing the functional manager for each team member
  - D) Showing the business need for the project
  
2. Scope Verification is
  - A) Performed at the end of project planning
  - B) Essentially same as quality control
  - C) Primarily concerned with acceptance of the work results
  - D) Primarily concerned with correctness of the work results
  
3. The process of creating a WBS results in
  - A) A project schedule
  - B) Team buy-in
  - C) A project completion date
  - D) A list of risks
  
4. Which of the following DOES NOT describe how far each element in WBS should be broken down
  - A) Can be completed in under 80 hours.
  - B) Can not be logically subdivided further
  - C) Is done by one person
  - D) Can be realistically estimated
  
5. The outputs of scope change control are
  - A) Scope statement, lessons learnt and inspection
  - B) Work results, scope changes and product documentation
  - C) Scope changes, corrective action and lessons learnt
  - D) Scope changes, product documentation and corrective action
  
6. The first step in WBS creation is
  - A) Determine cost and duration of each project deliverable
  - B) Identify major deliverables of the project
  - C) Identify components of each deliverable of the project
  - D) Determine the key tasks to be performed
  
7. Work package is a
  - A) Element at the lowest level of WBS
  - B) Task with unique identifier
  - C) Required level of reporting
  - D) Task that can be assigned to only one person
  
8. Going from Level 3 to Level 4 in the work breakdown structure can result in:
  - A) Less estimating accuracy
  - B) Better control of the project
  - C) Lower status reporting costs
  - D) A greater likelihood that something will fall through the cracks
  
9. A project manager believes that modifying the scope of the project may provide added value for the customer. The project manager should:
  - A) Change the scope baseline
  - B) Prepare a variance report
  - C) Discuss it in the change control board
  - D) Change the project's objectives

10. Inspection is used for both Scope Verification and Quality Control. But first deals with --- of the work while second deals with --- of the product

- A) Testing, quality
- B) Correctness, acceptance
- C) Inspection, testing
- D) Acceptance, correctness

**ANSWERS**

- 1. A
- 2. C
- 3. B
- 4. C
- 5. C
- 6. A
- 7. A
- 8. B
- 9. C
- 10. D

1. A Project Charter includes
  - A) Precedence diagramming methods
  - B) Task estimates
  - C) Detailed resource estimates
  - D) The business need for the project
  
2. The customer wants to make a major change in the project scope when project is mostly complete. The project manager should.
  - E) Make the change
  - F) Inform the customer of the impact of the change
  - G) Refuse the change
  - H) Complain to management
  
3. The key reason to use a WBS is to
  - E) Organize the work
  - F) Prevent work from slipping through the cracks
  - G) Provide a basis for estimating the project
  - H) All of the above
  
4. What does having a project charter do for the project managers?
  - A) Describes the details of what needs to be done
  - B) Describes the names of all team members
  - C) Gives the project manager authority
  - D) Describes the project's history
  
5. The subdivision of project deliverables into smaller components is called
  - A) Concept definition
  - B) Flow charting
  - C) Scope definition
  - D) Scope verification
  
6. In which phase feasibility studies performed
  - A) Initiation
  - B) Planning
  - C) Executing
  - D) Closing
  
7. You are asked to take over a project with lot of pending scope change requests. To assess the change impact, you should get hold of
  - A) Scope statement
  - B) WBS
  - C) Project Plan
  - D) Scope Management Plan
  
8. A matrix organization begins a new project. Project manager knows that the team is more responsive to their functional managers than to PM. To overcome this, PM decides to prepare
  - A) Project plan
  - B) Project charter
  - C) Scope statement
  - D) Human resource management plan
  
9. Which of the following is a good objective?
  - A) Construct a building

- B) Implement a new telecommunication system
- C) Lay 200 bricks by tomorrow
- D) Develop a program for proving network maintenance

10. Scope changes on project are inevitable, however, scope changes can be minimized by:

- A) Spending more time developing the scope baseline
- B) Spending more time analyzing the estimates
- C) Asking the sponsor to actively participate in the planning
- D) A and B

11. A project manager believes that modifying the scope of the project may provide added value for the customer. The project manager should:

- A) Change the scope baseline
- B) Prepare a variance report
- C) Call a meeting of the change control board
- D) Change the project's objectives
- E) Postpone the modification until a separate enhancement project is funded after this project is completed according to the original baseline.

## **ANSWERS**

- 1. D
- 2. B
- 3. D
- 4. C
- 5. C
- 6. A
- 7. B
- 8. B
- 9. C
- 10. C
- 11. C

1. Which of the following is not a major process of Project Procurement Management?

- a) Solicitation Planning
- b) Source Selection
- c) Contract Administration
- d) Information Distribution

2. The process of identifying which project needs can be best met by procuring products or services outside the project organization is called \_\_\_\_\_

- a) Needs Identification
- b) Procurement Planning
- c) Requirement Analysis
- d) None of the above

3. The 'Product Description' is generally broader than a 'Statement of Work'. This statement

- a) Is True
- b) Is False
- c) Is Ambiguous

4. A contract that involves payment to the seller for its actual costs is called a \_\_\_\_\_

- a) Fixed Price Contract
- b) Cost Reimbursable Contract
- c) Unit Price Contract
- d) Partnership

5. Which of the following is/are input(s) for Solicitation Planning

- a) Procurement Management Plan
- b) Statement(s) of Work
- c) Standard Forms
- d) Both A and B.

6. Which of the following is not a Tool and Technique for Source Selection.

- a) Contract Negotiation
- b) Weighting System
- c) Evaluation Criteria
- d) Independent Estimates

7. Which of the following is not an input to Contract Administration.

- a) Work Result
- b) Change Requests
- c) Seller Invoices
- d) All of them are inputs to Contract Administration.

8. \_\_\_\_\_ involves clarification and mutual agreement on the structure and requirements of the contract prior to the signing of the contract.
- a) Screening System
  - b) Evaluation Criteria
  - c) Contract Negotiation
  - d) Weighting System
9. Make or Buy Analysis is a Tool and Technique for
- a) Procurement Planning
  - b) Solicitation Planning
  - c) Solicitation
  - d) Source selection
10. The process of obtaining quotations, bids, offers or proposals as appropriate is called
- a) Procurement Planning
  - b) Solicitation Planning
  - c) Solicitation
  - d) Source Selection

#### **ANSWERS**

- 1 d
- 2 b
- 3 a
- 4 b
- 5 d
- 6 c
- 7 d
- 8 c
- 9 a
- 10 c



Q1. On his first project assignment as the project manager, the project manager encounters disagreements among highly technical team members. How would the project manager BEST deal with the conflict?

- A) He should listen to the differences of opinions, determine what is the best choice and implement that choice.
- B) He should postpone further discussions, meet with each individual, and determine the best approach.
- C) He should listen to the differences of opinions, encourage logical discussions, and facilitate an agreement.
- D) He should help the team focus on agreeable aspects of their opinions and build unity by using relaxation techniques and common focus team building.

Q2. Giving a team member a corner office is different than giving him health benefits because a corner office is a(n):

- A) Perquisite
- B) Fringe benefit
- C) use of the expectancy theory.
- D) example of formal power.

Q3. Team members are arguing about the location of specification limits on a control chart. The discussion is becoming heated when the project manager walks in and says, "It seems that the real problem here is that we do not have enough information about the customer's specifications. Let's• " This is an example of:

- A) asserting the project manager's authority
- B) problem solving
- C) compromising.
- D) withdrawal.

Q4. During project planning in a matrix organization, the project manager determines that additional human resources are needed. From whom would he request these resources?

- A) Project manager
- B) Functional manager
- C) Team
- D) Project sponsor

Q5. You have a firm fixed price contract with a clause stating that all changes in the scope of work must be written. One of your team members verbally instructed the seller to add a change that resulted in a 100% task overrun. Under this situation, what conflict management strategy should you use (as the project manager) with the team member?

- A) Punishment
- B) Problem solving
- C) Negotiating
- D) Withdrawal

Q6. While creating the agenda for a status meeting with the team, a project manager receives input from one team member that an item should be added. Another team member says the team is not ready to resolve the item during the meeting. After much discussion, the project manager decides to put the item on the agenda as an initial discussion item only. Which conflict resolution technique is the project manager using?

- A) Compromise
- B) Smoothing
- C) Forcing
- D) Withdrawal

Q7. A project has several teams. Team C has missed several deadlines in the past. This has caused team D to have to crash the critical path several times. As the project leader for team D, you should meet with the:

- A) manager of team D.
- B) project manager alone.
- C) project manager and management.
- D) project manager and the team C leader.

Q8. A project manager must publish a project schedule. Activities, start/end times and resources are identified. What should the project manager do next?

- A) Distribute the project schedule according to the communications plan
- B) Confirm the availability of the resources
- C) Refine the project plan to reflect more accurate costing information
- D) Publish a Gantt chart illustrating the timeline

Q9. What leadership style should you employ during the first two weeks of project planning?

- A) Coaching
- B) Directing
- C) Supporting
- D) Facilitating

Q10. The project team is working on an important and complex project that requires a lot of coordination. Under these circumstances, the BEST strategy is to:

- A) have a war room.
- B) hire a contractor.
- C) hold more meetings to get the word out.
- D) gain extra assistance from management.

Q11. The engineering resource group, a matrixed organization of which a project manager's project team is a part, has a policy of no bonus for project work. The project manager's current project has an aggressive timeline and a difficult technical obstacle to overcome. A new product offering is dependent on this project's success in the current timeline. The project manager has heard grumbling from his team about the fact that they cannot be rewarded for their effort. What is the FIRST thing the project manager should do?

- A) The project manager should evaluate if other team members from another department can help with the project.
- B) The project manager should talk to management about changing the bonus policy or allow this project to have its own bonus system to reduce risk on his project.
- C) The project manager should negotiate a less aggressive schedule from the client.
- D) The project manager should talk with the team about the importance of getting this done on time and explain the company policy.

Q12. You are a project manager leading a cross-functional project team in a weak matrix environment. None of your project team members report to you functionally and you do not have the ability to directly reward their performance. The project is difficult, involving tight date constraints and challenging quality standards. Which of the following types of project management power will likely be the MOST effective in this circumstance?

- A) Referent
- B) Expert
- C) Penalty
- D) Formal

Q13. Your best programmer is an independent contractor. Recently, you learned that she is working on a project in the evening for one of your competitors. Your BEST course of action is to:

- A) Replace her.
- B) Get her to sign a nondisclosure agreement.
- C) Inform her that you do not allow your contractors to work with your competition, and ask her to choose.
- D) Limit her access to sensitive data.

Q14. What is the MOST correct statement about conflict?

- A) The primary source of conflict is personalities.
- B) Conflict can be beneficial.
- C) Conflict is best resolved by smoothing.
- D) The best way to prevent conflict in the procurement process is to make sure the project manager is not involved with negotiations.

Q15. A project manager is meeting with a team member and says, "I know you want to become involved in meetings with the customer. Because of your performance on the project so far, I have rearranged things so you can become involved with the customer." This is an example of:

- A) Team alignment.
- B) Reward power.

- C) Team building.
- D) Constraints.

Q16. While resource planning for your project, you visited the functional manager of engineering many times but she refused to supply resources for the project. First, the excuse was that her department was too busy. The next time, the department was undergoing reorganization. This is causing your project to slip the schedule. The lack of which of the following is the MOST probable reason for her lack of support?

- A) Project plan
- B) Project charter
- C) Resource assignment matrix
- D) WBS

Q17. You work in a matrix organization when a team member comes to you to admit he is having trouble with his task. Although not yet in serious trouble, the team member admits he is uncertain of how to perform part of the work on the task. He suggests a training class available next week. Where should the cost of the training come from?

- A) Switch to a trained resource to avoid the cost
- B) The human resource department budget
- C) The team member's functional department budget
- D) The project budget

Q18. A new project manager has just been assigned a project that is in progress. The project is two weeks behind schedule. The team members are about to be distributed to another project based on original time estimates provided by the functional manager. What is the FIRST step the project manager should take?

- A) She should first revise the Gantt chart with new timelines.
- B) She should initially contact the steering committee and begin with a new team.
- C) She should first show sympathy with the current team and delay decision making for another week.
- D) She should check the project plan for contingencies concerning resources and talk to the functional manager.

Q19. At the end of a two-year project, the key stakeholders agree that the project has met all its goals and objectives outlined in the project charter and further defined in the scope and statement of work. The project is within budget and has finished on time. The management of one of the functional areas is quite upset because over half of his staff quit during the project citing long hours and lack of management support. What is the MOST correct statement about this project?

- A) The project was within budget and time and achieved its objectives. Upper management is responsible for providing adequate resources, and the project manager successfully managed the project with available resources.
- B) The project should be measured against how successfully it met its charter. This was not done during this project.
- C) The project manager did not obtain adequate resources and did not set a realistic deadline based on resources available.
- D) The functional manager is responsible for his staff and obtaining adequate resources to meet the schedule once it has been set. The project and project manager achieved all of its goals set forth in the charter.

Q20. A team member is not performing well on the project because she is inexperienced in system development work. There is no one else available who is better qualified to do the work. What is the BEST solution for the project manager?

- A) Consult with the functional manager to determine project completion incentives for the team member
- B) Obtain a new resource more skilled in development work
- C) Arrange for the team member to get training
- D) Allocate some of the project schedule reserve

Q21. The "halo effect" refers to the tendency to:

- A. Promote from within.
- B. Hire the best
- C. Move people into project management because they are good in their technical field.
- D. Move people into project management because they have had project management training.

Q22. Which of the following is the highest point of Maslow's hierarchy?

- A. Self-fulfillment
- B. Respect
- C. Affection
- D. Stability

Q23. In which motivation theory do hygiene factors play a part?

- A. Herzberg's
- B. McGregor's
- C. Theory Y
- D. Maslow's hierarchy

Q24. Which motivational theory says that working conditions, salary and relationships at work do not improve motivation?

- A. Maslow
- B. Deming
- C. McGregor
- D. Herzberg

Q25. In Maslow's hierarchy of needs, self-actualization means self-fulfillment, growth and:

- A. affection.
- B. learning.
- C. security.
- D. stability.

Q26. Which motivational theory uses the concept of theory Y?

- A. Maslow
- B. Deming
- C. McGregor
- D. Herzberg

**ANSWERS**

- 1. C
- 2. A
- 3. B
- 4. B
- 5. B
- 6. A
- 7. D
- 8. B
- 9. B
- 10. A
- 11. B
- 12. B
- 13. B
- 14. B
- 15. B
- 16. B
- 17. D
- 18. D
- 19. C
- 20. C
- 21. C
- 22. A
- 23. A
- 24. C
- 25. B
- 26. C

1. Once Signed a contract is legally binding unless
  - a) One party is unwilling to perform
  - b) One party is unable to finance his part of the work
  - c) It is in violation of applicable law
  - d) It is declared void and null by one party
  
2. Although they may have variety of side effects, the primary objective of incentive clause in a contract is to
  - a) Reduce costs for the buyer
  - b) Help the contractor control costs
  - c) Help bring the contractor's objective in line with that of the buyer
  - d) Reduce risk for the contractor by shifting risk to the buyer
  
3. With a clear Scope of Work, a contractor completes work as specified, but the buyer is not pleased with the results. The contract is considered to be:
  - a) Incomplete because the buyer is not pleased
  - b) Incomplete because the specs were incorrect
  - c) Complete because the contractor is satisfied
  - d) Complete because the contractor met the terms and conditions of the contract.
  
4. When do all of the processes of Procurement Planning, Solicitation Planning, Solicitation, Source Selection, Contract Administration and Contract Close-out are followed
  - a) When the project obtains product and services from outside the performing organization.
  - b) When the project does not obtain product and services from outside the performing organization.
  - c) All of the processes are always followed for Project Procurement management
  - d) The processes are not required most of the time.
  
5. The primary objective of negotiations is to
  - a) Get the most from the other side
  - b) Protect the relationship
  - c) Be the winner
  - d) Define the objective up front and stick with them
  
6. The daily lease cost for an item is \$230. To purchase the item the investment cost is \$1000 and the daily cost is \$30. When should you go for purchasing the item
  - a) When the item is needed for more than 3 days
  - b) When the item is needed for more than 5 days
  - c) When the item is needed for more than 6 days
  - d) For both the cases b & c.
  
7. Of different forms of Contracts, which one puts the buyer at highest risk that the cost will increase
  - a) Cost Reimbursable
  - b) Time and Material
  - c) Fixed Price
  - d) Purchase Order

8. Of different forms of Contracts, which one is unilateral (signed by one party)
- Cost Reimbursable
  - Time and Material
  - Fixed Price
  - Purchase Order
9. Given are the statistics for a Project. Target Cost = \$220,000; Target Fee = \$35,000; Target Price = \$255,000; Sharing Ratio = 80/20; Actual Cost = \$200,000. Calculate the Fee and Final Price for the project
- Fee = \$35,000, Final Price = \$235,000
  - Fee = \$39,000, Final Price = \$239,000
  - Fee = \$39,000, Final Price = \$255,000
  - Fee = \$55,000, Final Price = \$255,000
10. Given are the statistics for a Project. Target Cost = \$150,000; Target Fee = \$30,000; Target Price = \$180,000; Sharing Ratio = 60/40; Ceiling Price = \$200,000; Actual Cost = \$210,000. Calculate the Fee and the Final Price for the project
- Fee = \$30,000, Final Price = \$210,000
  - Fee = \$30,000, Final Price = \$200,000
  - Fee = \$6,000, Final Price = \$200,000
  - Fee = \$6,000, Final Price = \$240,000
11. Which of the following must be present to have a contract
- A detailed scope of work
  - Acceptance
  - The address of the seller
  - Various legal words
12. Which of the following best describes the project manager's role during the contracting process
- They are not involved
  - They should try to be involved
  - They supply an understanding of the risks of the project
  - They tell the contracts manager how they want the contracting process to be handled
13. A key role of the project manager during negotiations is to
- Protect the relationship between buyer and seller
  - Make sure their side wins
  - Make sure they get all risks assigned to the other side
  - Make sure that everyone receives a communication plan
14. In a fixed price contract, the fee or profit is
- Unknown
  - Part of the negotiation involved in paying every invoice
  - Applied as a line item to every invoice
  - Determined with the other party at the end of the project
15. Which of the following is an advantage of centralized contracting



- a) Easier access to contracting expertise
- b) Increased company expertise in contracting
- c) More loyalty to the project
- d) No home for the contracts personnel

**ANSWERS**

- 1 d
- 2 e
- 3 a
- 4 c
- 5 d
- 6 c
- 7 d
- 8 d
- 9 d
- 10 e
- 11 e
- 12 b
- 13 d
- 14 d
- 15 a

# Question Set 2

Total Questions: 200

**1. During communication the use of \_\_\_\_\_ is a means of giving feedback to the speaker by rephrasing the speaker's word to ensure that there is a good understanding of the message being sent.**

- A. active listening.
- B. filtering .
- C. graphics.
- D. visual ,audio ,and tactile.

**2. In communication , the receiver filter messages based on all but which of the following?**

- A. Culture.
- B. Semantics.
- C. Language.
- D. Distance.

**3. According to the PMP code of professional conduct , which of the following is a responsibility to the profession?**

- A. Adhere to the candidate /certificate professional practice.
- B. Conflict of interest situations and other prohibited professional conduct.
- C. Quallifications, experience performance of professional services.
- D. Refrain from accepting inappropriate gifts ,payment or other compensation for personal gain.

**4. When analyzing risks using the certainty vs uncertainty spectrum,the term “unknown-unknown is best described as \_\_\_\_\_ .**

- A. at the extreme end of the uncertainty spectrum. They will definitely affect you, although you have no control over them.
- B. items or situations whose existence can not imazine (“ who knew ?”).
- C. items that will effect you ,although you are not able to predict how or how much they will effect you?
- D. rework.

**5. You are attending a meeting with your purchasing department to explain the recent approved scope change and assist in negotiating the changes required to the contract. The vendor representative states up front t the meeting ,that all negotiations must be Completed by 2.30pm to allow him to catch his flight considering the current city traffic issues. What kind of negotiation technique is this?**

- A. Fait accomplie .
- B. Dead line.
- C. Unreasonable.
- D. Delayed.

**6. Of the following needs, which one is ranked highest according to Maslow's hierarchy of needs?**

- A. phycological satisfaction.
- B. attainment of survival
- C. esteem.
- D. need for association.

**7. What are the steps you should take formally to stop the project?**

- A. generating ,gathering and disseminating information to formalize the phase or project completion.
- B. collecting and disseminating performance information.
- C. completing and settling contracts, including resolution of any open items.
- D. both A and C

**8. Defining the scope of the project is one of the initial steps in the PM process. Defining project scope well is crucial to the success of the project as it establishes a contract between the project client and the pm. For some pm's this is a legal contract. For others it is less formal. In either case it is an agreement to which the project client and PM both making a commitment. Which of the following is the most applicable to a scope statement?**

- A. It provides a document basis for making future project decision and for developing a common understanding of the project scope among stake holder.
- B. Scope statement and the SOW are synonymous.
- C. Project justification and project objectives are not included or referenced in the scope statements.
- D. Once written, the scope statement should never be revised.

**9. Collocation can mean that :**

- A. all team members are moved to central physical location during the later stages of project implementation.
- B. most team members are moved to a central physical location for the life of the project.
- C. A "war room" is established where team members and stake holder can meet periodically.
- D. individual with different interests, backgrounds, and expertise are transformed into an integrated and effective work unit.

**10. What is the document that gives the PM the authority to apply organizational resources?**

- A. WBS
- B. project definition document.
- C. project charter.
- D. statements of work.

**11. The communication expediter of a project is :**

- A. the MIS subject matter expert .
- B. a project manager.
- C. a data base manager.
- D. a project assistant.

**12. When entering into a contract , the objective of the buyer is to:**

- A. maximize his degree of risks while decreasing profit potential.
- B. place on the seller the maximum performance risk while maintaining a degree of incentive for efficient and economical performance.
- C. ensure that the seller is unable to determine his exart requirements.
- D. All of the above.

**13. You are reviewing a risk of lists identified by the team and now need to "categorize" the risk s which will facilitate the risk monitoring process. Which of the following risk events would present the highest risk to the "schedule category" of risks.**

- A. Sustantial increase in the cost of purchased materials.

- B. Delays in obtaining required approvals.
- C. Contract disputes that generate back charges.
- D. Deffral of the scheduled post implementation review meeting.

**14. The “Tuckman Model “ refers to the 4 stage of the team development .What is the correct sequence of stages each team will go through?**

- A. Forming, Norming, Storming and performing.
- B. Forming , Storming, Norming and performing.
- C. Norming, Forming , Stroming and performing.
- D. Storming, Forming, Norming and performing.

**15. An input to staff Acquisition does not include:**

- A. Staffing management plan.
- B. Staffing requirement
- C. Staffing pool description.
- D. Requirment practices.

**16. Pareto diagrams cause and effect diagrams flow charts and treand analysis are used in quality:**

- A. Control.
- B. Assurance.
- C. Planning.
- D. Verification.

**17. The main purpose of risk management planning is to create a plan for dealing with each high priority risk that you have identified in the various phase. A good risk management plan will not contain \_\_\_\_\_.**

- A. a contingency plan to moniter risk and trigger a predetermined response when a potential risk is detected.
- B. The resources that are needed for your risk management activity.
- C. What information you need to track and monitor the risk.
- D. all of the above.

**18. What does the accounting term BCR 1.5 mean?**

- A. The cost are higher than the benefits.
- B. The profit is 1.5 times the cost.
- C. The payback is 1.5 times the cost.
- D. The cost is 1.5 times the profit.

**19. From the “view exhibit” we can state task \_\_\_\_\_ is the furtherest behind schedule task \_\_\_\_\_ has the largest budget variance.**

- A. 3,2
- B. 1,2
- C. 1,3
- D. 1,4

**20. From the view “exhibit” button ,which task list contains the critical list for the path?**

- A. ABCDEI
- B. ABGHIF

- C. ABCDEF
- D. CDEF

**21. You need to define the high level project objectives .Which of the following technique is the best method to define the project objectives?**

- A. Delphi.
- B. Earned value.
- C. Expert interviews.
- D. Cost benefit analysis.

**22. Outputs of administrative closure include all of the following except.**

- A. Project archives.
- B. formal acceptance.
- C. lessons learned.
- D. performance reports.

**23. Your team has created several documents that serve as historical records for future projects.This historical documents are archived:**

- A. throughout the project.
- B. before the end of planning.
- C. before the end of execution.
- D. during closure.

**24. Cost estimates may not be express in :**

- A. Units of currency.
- B. Staff hours
- C. Staff days.
- D. Units of production.

**25. Given the following sample of data : 40,20,20,50,70, and 75:What is the mode?**

- A. 36
- B. 20
- C. 50
- D. 70

**26. A product description is used to :**

- A. define the project scope.
- B. improve the accuracy of cost , duration and resource estimates.,
- C. define the relationship between the product being created and the business need.
- D. outline quantifiable criteria that define project success.

**27. From the “view exhibit “ button, which task has a favourable cost variance of \$250?**

- A. Task 1
- B. Task 2
- C. Task 3
- D. Task 4

**28. A control chart shows that the last 8 frames produced were all a little less than the average weight. You know you need to action this because the control chart violates the:**

- A. rules of seven
- B. rules of eight.
- C. Standard deviation rule.
- D. 3-sigma rule.

**29. Value engineering and analysis is performed to:**

- A. analyze all the things a product does, including primary and related function to identify unnecessary functions that might drive up cost on a product.
- B. obtain management buy into the project.
- C. ensure the team buys into the project.
- D. identify a less costly way of doing the same scope of work.

**30. Life cycle cost is used in Project Cost Management:**

- A. to reduce costs.
- B. to reduce time.
- C. to accumulate all costs.
- D. to accumulate all time.

**31. From the “view exhibit” button, how many days of free float does activity E have?**

- A. 12
- B. 0
- C. 10
- D. 7

**32. Who originates the project charter ?**

- A. The project manager.
- B. The project sponsor
- C. The client.
- D. A manager external to the project.

**33. Product documentation is an input to what process?**

- A. Scope verification.
- B. Performance rating.
- C. Risks Analysis.
- D. Scope planning.

**34. The best approach to conflict resolution is:**

- A. Withdrawal.
- B. Smoothing.
- C. Compromising.
- D. Confronting.

**35. Which of the following activities is completed during scope verification?**

- A. Product analysis.
- B. Creation of work breakdown structure.
- C. Performance measurement

D. Inspection

**36. Generally speaking an advantage of a fixed price contract is:**

- A. the cost risk is higher.
- B. the cost risk is lower.
- C. there is a medium amount of risk.
- D. the risk is shared by all parties.

**37. A relationship in a activity-on-arrow diagram are(is):**

- A. finish to start.
- B. finish to finish.
- C. finish to start, start to finish, finish to finish or start to start.
- D. start to start or start to finish.

**38. your project work was put on hold for 6 weeks due to the unforeseen backorder of the hardware equipment. You have confirmed with the supplier the hardware will be delivered to the second week of December. In order to keep to the customer schedule which is the first priority considerable overtime will be required by the technical team members during the upcoming holiday season. You know the technical team was only working over the holidays with a skeleton crew .What is the best action to take to**

- A. explain to the client that the backorder was unforeseen and it is now impossible to meet the original schedule.
- B. First, give the employees the option to cancel their vacations and work the overtime.
- C. Meet with the technical team and profusely apologize , but explain your hands are tied and they will have to unfortunately cancel their schedule vacations and work.
- D. Arrange to hire contract employees to work over the holiday.

**39. A war room is \_\_\_\_\_**

- A. a required part of every project.
- B. a room to give the project a physical location.
- C. the place where the office is
- D. an advantage since all the project information can be located in one geographic location.

**40. \_\_\_\_\_, a well known motivational theorist , stated people can't ascend to the next level of needs until the levels below have been fulfilled.**

- A. Maslow.
- B. McGregor
- C. Herzberg
- D. Aldelfers.

**41. Look at the following depreciation example : Depriciable balance is \$10,000,expected useful life is 4 years. Depriciations in the first year under double declining balance depreciation is \_\_\_\_\_.**

- A. 2500
- B. 4000
- C. 5000
- D. 10,000

**42. There are a number of estimating levels of accuracy , which one is defind as the budget estimate?**



- A. -25% to +75%
- B. 5% to 10%
- C. -10% to +25%
- D. +/-5%

**43. The \_\_\_\_\_ theory is a method to determine the amount of risk ,management will tolerate on a project.**

- A. Probability analysis.
- B. Delphi.
- C. Monte carlo
- D. Utility.

**44. A project manager is working with quality professionals in the quality assurance phase of the project. Which of the following activities is being performed?**

- A. Quality control.
- B. Determining if the right quality standard are being used.
- C. Determining what quality standard should be used.
- D. Evaluating quality against the standard.

**45. During an initial meeting to establish a communication plan with the project stake holders, your senior project manager distributes photocopies of sample graphs and charts.Since you have just completed studying and successfully writing your PMP exam,You immediately recognize these graphs and chart from PMI’s PMBOOK guide.What do you do in these situation?**

- A. Approach your senior project manager to ensure he recived permission from PMI to reproduce and distribute the graphs and charts.
- B. Assume your senior project manager obtained permission from PMI to reproduce and distribute the information.
- C. Following the meeting ,ensure that all distributed materials are returned and destroyed.
- D. Do nothing since you were only an attendee at the meeting and nothing to do with preparing the meeting material.

**46. There are 4 people in the project team , and the project managers add 5 more. How many channels of communication are there now?**

- A. 18
- B. 40.5
- C. 36
- D. 9

**47. A risk was identified that “Rebecca “ is the only person in the company that has the expertise to complete a critical task on your project.Rebecca advised during the planning phase that she is scheduled for elective surgery at an unknown date. If the hospital calls , she will go on medical leave for 3 months. Of course the hospital calls and Rebacca goes on medical leave. Since the task is on the critical path you need to acquire a consultant as soon as possible. To do this ,the project manager**

- A. Follow the legal requirements setup by the company for using outside services.
- B. Bypass the company procedure since the task is on the critical path and you don’t have time to go throw the normal process.
- C. Time is of the essence .Expedite and go directly to your preferred consultant.

D. Ask his or her manager to what to do/

**48. Which of the following items are not considered accomplishing integrity in project management?**

- A. Adhering to an ethical code.
- B. Following the PMP code of professional conduct.
- C. Applying standard project management process.
- D. Training to understand how to manager relationships with other from different cultures.

**49. The language of contracts sometime generates misunderstanding and creates situations that adversely affect project completion .During the planning stages a relatively first and informal method for removing the obstacles to progress should be planned for. One such method is to submit the issue in question in to a impartial third party of resolution. The process is known as:**

- A. alternative dispute resolution.
- B. problem processing.
- C. Steering resolution
- D. Mediation litigation

**50. Your project you just completed , was the first time your company ever contracted a 3<sup>rd</sup> party vendor to perform some of the project work. As part of the close out process, you are documenting the lesson learned. Which of the following is the contract lessons learned include?**

- A. A complete list of the contract as built drawing.
- B. Feedback customer.
- C. The procurement process since this was the first time the company negotiated a contract.
- D. Evaluations of what went right and what we could have done better.

**51. You are working on a global project that will require temporary hiring of teams in 4 different countries in 5 months testing phase. A project leader from one of the country takes initiative to help acquire these resources by sending you a list of names that are obviously related to the project leader. Your first course of action should be to:**

- A . Investigate to find out if hiring family is a common practice in the project leaders country.
- B. Ask for the resumes of the individuals and determine if they are qualified candidates.
- C. Ask the project leader to send additional name of people that are not family members.
- D. Thank the leader for their initiative but let him/her know that you will require the resources yourself.

**52. A contingency plan \_\_\_\_\_.**

- A. identifies alternative strategies to be used to ensure project success if a specified risk event occurs.
- B. is a work around.
- C. is part of the management reserve
- D. is the same as a fallback plan.

**53. All of the following are examples of theory X assumptions with the exception of:**

- A. employees avoid work.
- B. employees need constant direction.
- C. employees are self-directed.
- D. employees are self-centered.

**54. You have determined the duration for your project is 18.5 months with a standard deviation of 1.2 months. What technique will u use to determine the confidence level and the probability of completing the project on a specific day ?**

- A. PERT formula.
- B. Monte carlo simulation.
- C. Probability analysis.
- D. Variance analysis.

**55. Cultural noise in the communication channel can be caused by all of the following except?**

- A. Ethnocentrisim
- B. Stereotyping.
- C. Decorum.
- D. Proximity distance between people.

**56. If PV \$ 24000 and AC is \$27000 and EV is 25000 we can report the project as follow:**

- A. Ahead of schedule and over budget .
- B. Ahead of schedule and behind budget.
- C. Behind schedule and over budget.
- D. Behind schedule and under budget.

**57. “For Consideration” in contract management means:**

- A. money must be paid from one party to another.
- B. the contract must be signed.
- C. the contract must be agreed to buy both parties.
- D. there must be an exchange of things.

**58. The contemporary view of conflict is that :**

- A. conflict is bad.
- B conflict is caused by trouble maker.
- C. conflict should be avoided.
- D. conflict is often beneficial.

**59. A cost base line is an output of the \_\_\_\_\_ management process.**

- A. Resouce planning
- B. Cost eastimating.
- C. Cost budgeting.
- D. Cost control.

**60. Variance analysis , treand analysis and earned value analysis are tools and technique used for :**

- A. Information distribution
- B Administrative closure.
- C. Quality assurance.
- D. Performance reporting.

**61. There are a variety of methods to select a projects. Which of the following is not a project selection criteria method.**

- A. Benefit measurement.
- B. NPV
- C. The number of resources required to complete the project.
- D. Value analysis.

**62. You are a junior project manager with a little over 3 years actual project experience. You have just started to working on your first international project. After spending the 3 weeks in foreign you are feeling very disoriented. This known as :**

- A. Culture shock.
- B. Disorientation.
- C. Global culturing.
- D. Divercity Shock.

**63. A deliverable-oriented grouping of project component is (n):**

- A. activity list..
- B. work package .
- C. WBS
- D. cost account coding system.

**64. All of the following statement are true of administrative closure except:**

- A. It includes verifying and documenting project results .
- B. It includes collection of project records.
- C. It includes analysis of project success and effectiveness.
- D. It should be delayed until project completion.

**65. The method for calculating earned value should be agreed to before the work begins and it is best to keep the earned value calculation method as simple as possible. What is not a method of reporting earned value?**

- A. Apportioned.
- B. Milestone.
- C. Level of Effort (LOE)
- D. Variance analysis

**66. You are working through the initiation phase of your project for a new client that involves opening new operations in 3 new locations. Several of the functional managers have very different views on how the project should be managed and what the deliverable should be. As the project manager for this project for this project which of the following is the best thing for you to do?**

- A. Ask the client when they will be in agreement on project requirements.
- B. Work with leadership from each area to collaboratively engineer a mutually acceptable solution.
- C. Make sure the terms and conditions of the contract are very very clear especially how changes will be managed.
- D. Advice the client they must reach agreement on both issues within 2 weeks, Otherwise, the schedule have to be defferred until they are able to agree as a

**67. All program manager have been asked to come up with a new estimate at completion for their in-progress project. The most accurate method to develop the new estimate is to:**

- A. Complete an earned value analysis to determine the cost analysis.

- B. take the actuals to date and add the remaining budgets modified by performance factor.
- C. take the actuals to date and develop a new estimate for all remaining work.
- D. Add the remaining budget to what has already been spent.

**68. Your next door neighbour is a team member on a project as a business analyst. She mentions to you that she had met with her project manager today to talk about a really good idea she had for a useful change to the project. She expresses frustration to you because she fully expected approval to go ahead with the change, but instead ,she was requested to write a report documenting the specific benefit on the change. As a project manager yourself what would be the most appropriate response?**

- A. agree with your neighbour that the project manager is just being unreasonable since the benefit documentation is really the project manager responsibility to.
- B. advise your neighbour that the cost benefit analysis was already completed during project planning and the project manager must be inexperienced.
- C. Tell her you would ask the same for your team member. PM's need to analyze the benefits of the change vs the cost and compare them to other possible changes.
- D. Your neighbour should do what was asked because this short of information must be given to the project sponsor to make the change.

**69. Which statement is not true about Maslow's highest hierarchy of needs?**

- A. Constant self-development.
- B. Doing what one can do best.
- C. Often refuse promotion to management.
- D. Realizing what one can do best.

**70. Inputs to administrative closure include all of the following except:**

- A. performance measurement documentation.
- B. other project records.
- C. documentation of the product.
- D. contract documentation.

**71. From the "view exhibit" button, What is the Late Start day of activity G?**

- A. 17
- B. 18
- C. 10
- D. 11

**72. Which of the following statement is true?**

- A. PERT does not show the critical path but CPM does.
- B. Both PERT and CPM are duration estimates.
- C. PERT allows for probabilistic sequencing that CPM can't provide.
- D. CPM provides more accurate duration estimate than PERT.

**73. Your manager gives you a scope of work and ask you to begin work immediately and provide her with a schedule. What should you do first?**

- A. Begin estimating the task necessary to complete the scope of work.
- B. Identify the stake holders and make sure their requirements are included in the scope of work.
- C. Create an activity list and then begin to assign the task to resources.
- D. Identify a team and obtain approval for their participation from their functional managers.

**74. Expert judgement will often be required to access the input of initiation , Such expertise may be provided by any group or individual with specialized knowledge or training and is available from many sources ,including the following.**

- A. other units within the organization ,consultant ,and internet.
- B. industry group, stake holders , and lesson learned from previous objects.
- C. Consultant, Stake holders and industry groups.
- D. Other project managers and professionals.

**75. Quality controls includes a number of activities and technique within a project that ensure that the organization quality's objective are being met .Which of the following is not considered part of the quality control process.**

- A. quality audits.
- B. continually monitoring process.
- C. identifying and eliminating problem causes.
- D. use of statistical process control to reduce process variability and increase efficiency.

**76. The tools and technique in the contract admin process are :**

- A. contract change control system, performance reporting , and payment system.
- B. contract change control system, contract negotiations, and payment system.
- C. contract change control system, contract negotiations ,and contract changes.
- D. contract change control system, payment system , and payment requests.

**77. Risk monitoring and control involves all of the following task except:**

- A. identifying new risks.
- B. ensuring the execution of risk plans.
- C. evaluating and execution of risk plans.
- D. Contingency planning.

**78. Which earned value formula correctly illustrate the cost variance of a project incurrency?**

- A. BCWP-ACWP
- B. BCWP/ACWP
- C. ACWP-BCWP
- D. BCWP/BCWS

**79. Due to bankruptcy reason ,your current vendor has been forced to withdraw from your project. your purchasing department has now informed you the new vendor has been selected, approved and the resources will be arriving on the site ,first thing next Monday. As the project manager what is the first thing you should do on Monday?**

- A. Have the core team on site so you can introduce the new vendor to the project team.
- B .Establish yourself as the authority in charge.
- C. Arrange for a tour of the site for the new vendor.
- D. Review the contract details with the vendor to ensure common understanding.

**80. Formal acceptance by the client or sponsor of the project is prepared and distributed during the \_\_\_\_\_ process.**

- A. administrative closeout.
- B. organizational planning.
- C. performance reporting.

D. contract admin.

**81. Considerable time has been spent negotiating the contract between both the vendor and the purchaser over the last 7 months .Today is suppose to be the last meeting to finalize one outstanding issue. At this meeting emotions are now at an all time high, when out of the blue ,the vendor starts to pack her briefcase to leave. What type of negotiating strategy is the vendor using in this situation.**

- A. Missing man
- B. Fair and reasonable.
- C. Deadline.
- D. Withdral.

**82. As the project manager which of the following documents will you use to ensure project closure?**

- A. Project presentations.
- B. Trend analysis.
- C. Change requests.
- D. Document that describe the product of the project.

**83. What is the most effective document to review to learn about the project's procedure for managing risk?**

- A. a risk management plan.
- B. a project plan
- C. a risk analysis plan
- D. a risk assessment study.

**84. Which of the following is a definition of liquidated damages?**

- A. Damages intended to compensate the injured party for his or her loss.
- B. Damages intended to punish the wrongdoer.
- C. Damages where the amount is specified in the contract.
- D. Damages, which are consequences of your actions ,rather than a direct result of your action.

**85. Which of the following activities is not a part of administrative closure?**

- A. Generating information.
- B. Procurement audit.
- C. Gathering information.
- D. Disseminating information.

**86. Status meeting are held to:**

- A. have team members report on what they are doing?
- B. exchange information about the project.
- C. issue work authorizations.
- D. confirm the accuracy of the cost submitted by the team.

**87. Which of the following is not a output of the cost control process?**

- A. Revised cost estimates.
- B. Budget updates.
- C. Workarounds.
- D. Estimate and completion.

**88. Labour rate is calculated by :**

- A. aggregating the various cost associated with direct labour and divide by the numbers of man hours worked.
- B. taking the employee cost for the company as a whole, and dividing by the number of employees.
- C. allocating \$10,000 per employee and dividing by the number of hours in a year.
- D. taking the cash received by each employee as salary and dividing by number of hours worked.

**89. You are reviewing several contracts to determine the earned value techniques to be used for performing reporting. One of the contracts scope of work contains a repetitive process. Since this contracts entails 70% of the total project work, which earned value reporting technique would be the best to use?**

- A. Apportioned.
- B. Line of Balance (LOB)
- C. 50/50
- D. Milestone

**90. At the PMI networking member meeting, you chat with another project manager on different methods to highlight risks on your current project. The very next day you receive a zip file in your email a risk software from the project manager that was developed in her company. The software has a copy right date of 2000. As a PMP what action should you take in this situation.**

- A. Meet with the PMO and see if they believe this would be a good method.
- B. Obtain approval to use the software from your legal department.
- C. share some of your ideas on improvement on the software with her.
- D. Return the software.

**91. One of the project team members meet with you as the project manager during project execution. He advices you several of the team members believe the project cannot meet its quality standards. Your action to this information is to call a meeting of the effected stake holders to walk through the problem. Which step of the quality management process are you involved in?**

- A. Quality Assurance
- B. Quality analysis
- C. Quality control.
- D. Quality planning.

**92. The project manager typically share problems with you and the team and prepares evaluating solution as a group. Which type of leadership style is your project manager using?**

- A. Autocratic.
- B. Consultation in a group.
- C. Consensus
- D. One to one consultation.



**93. As a seasoned project manager, you have come to understand the importance of communication and network. During your annual performance appraisal, your senior project manager writes “aggressive insight” on the comment section of the performance appraisal form. What does he mean by that comment?**

- A. He believes you understand the machines of power and politics.
- B. He recognizes that you “do the right thing” when it comes to the member of your team.
- C. He believes you understand your own strength and weakness.
- D. He believes you understand the strength and weakness of your project team.

**94. Management had decided to crash a project in order to avoid penalty payments for late deliveries. Additional cost are expected. To crash the project either overtime or additional resources should be assigned to:**

- A. all activities.
- B. activities with the longest time duration.
- C. activities on the critical path beginning with the longest time duration activities.
- D. activities with the greatest degree of risk.

**95. Facilitating and core process differ in that core are sequential in nature facilitating are intermittent and dependent on the type of project. What are not on the facilitating process?**

- A. Scope change control and quality assurance.
- B. Scope verification and procurement planning.
- C. Contract administration and communication planning.
- D. None of the above are core process.

**96. In which stage of the negotiation meeting is party determining their strength and weakness?**

- A. Scratch bargaining
- B. Agreement.
- C. Protocol.
- D. Probing.

**97. Which of the following diagram supports only one relationship?**

- A. activity on arrow.
- B. PERT.
- C. Pareto diagram.
- D. Activity-on –node.

**98. Which of the following is not a tool or technique for cost control?**

- A. Computerized tool.
- B. Cost of quality
- C. Additional planning
- D. Performance measurement.

**99. What is a “Should Cost” estimate?**

- A. Any estimate used in project budget.
- B. An estimate prepared to check prices submitted by a seller.
- C. An estimate of prices prepared by the seller for the buyer.
- D. A list of costs included as an appendix to a contract.

**100. There are a multitude of consequences if we do not risk management such as : significant cost overruns; schedule delays; inability to achieve stated technical objective (s); project descoping; fines and penalties etc. What are the downsides or negative to doing risk management?**

- A. Believe that all risk has been accounted for?
- B. Project could be shut down
- C. Team conflict.
- D. Both A and B are correct.

**101. As a vendor you are participating in a bidders conference for a potential new client. It is clear to you the buyer has not clearly defined the full scope of work just yet. What type of would you be most concerned about negotiating with the client.**

- A. Fixed price.
- B. Cost plus fixed fee.
- C. Time and material.
- D. Fixed price with incentive fee.

**102. Not all stake holders are equal .It is helpful to identify and classify the type of stakeholders and clearly define roles and responsibility of each group of stakeholders. It is important to define who provides input, who votes on what issues , and who has vote power. Which of the following best describe why stakeholders are necessary in a project?**

- A. They determine the project schedule , deliverable, and requirements.
- B. Stakeholder /customer satisfaction is the number one success criteria.
- C. They supply the resources and resource constraint on the project.
- D. They help provide assumption , the WBS ,the management plan.

**103. The quality team for the project consists of several groups. Which of the following project participant plays the most important role in the quality function?**

- A. Customer .
- B. Project manager.
- C. Project team.
- D. Vendors and supplier.

**104. Earned value can best be defined as:**

- A. BCWP time ACWP.
- B. A method of ensuring project performance.
- C. A method of tracking project costs.
- D. SPI/CPI.

**105. As part of project to establish a large vegetable growing operation for a food processing plant ,You are required to do several soil samples at the designated agricultural site. At the next PM meeting you must present your findings from the soil samples. You have received from the testing lab, the results from almost 80% of the soil samples but there is approximately 20% of the sample results still missing. Since you actually did a few more soil samples than was initially required , You will:**

- A. Prepare a report based on the information you did receive.
- B. Inform the customer that you need more time to redo the missing soil samples.
- C. Prepare a report based on the information you did receive but included a statement regarding the missing soil samples.
- D. Ask management to postpone the project meeting so you have time to redo the missing soil samples.

**106. Resource planning results in a description of what type of resources are required in what quantities. This plan is then used to support the subsequent process.**

- A. of cost estimating or budgeting.
- B. of scheduling or controlling.
- C. of staff acquisition and/or procurement.
- D. of plan execution or cost controlling.

**107. As project manager for a new communication project ,you received a PM services proposal which includes curriculum vitae for someone whom you have some knowledge of. This CV indicates that the individual has a PMP although you know that it is not true. Do you :**

- A. advise your superior of the false information.
- B. advise PMI of the false information.
- C. advise the individual of the mistake in the CV.
- D. A and B.

**108. Generally speaking the detail and frequency of performance speaking increases:**

- A. For executive management.
- B. When risk increases.
- C. With contractors.
- D. With team members.

**109. Destructive team roles includes which of the following?**

- A. Topic jumper, Devil's advocate and information seeker.
- B. Dominator, Recognition seeker and initiator.
- C. Withdrawer Initiator and Aggressor.
- D. Withdrawer ,Topic jumper and recognition seeker.

**110. An advantage of decentralized contracting is :**

- A. The contract is a appropriate to project.
- B. The contract follows appropriate guideline.
- C. More focus on the contracts, therefore less mistakes.
- D. The project manager has more control.

**111. What is the Seller's risk objective in Project procurement Management?**

- A. to get the highest dollar value contracts.
- B. to minimize risk while maximizing profit potential.
- C. to maximize risk so that profits are higher.
- D. to minimize risk.

**112. When communicating the sender is responsible for:**

- A. Scheduling communicating exchange.
- B. Ensuring the receiver agrees with the message.
- C. Confirming message is understood.
- D. Presenting the message in the most favourable manner.

**113. A firm fixed contract is one that is:**

- A. The firm is guaranteeing a fixed price.
- B. The contract is fixed by the government authority .
- C. A lump-sum contract under which the seller furnishes goods or service at a fixed price.
- D. The price of the Seller's services are fixed on an hourly basis.

**114. Which of the 7 main statistical processing charts determines possible cause of potential problems and actual problems?**

- A. flow charts.
- B. a fishbone diagram.
- C. a control chart.
- D. Scatter diagrams.

**115. All of the following are cost estimating tools except:**

- A. alternative identification.
- B. analogous
- C. bottom-up.
- D. parametric.

**116. The project is formally initiated or authorized to continue when:**

- A. the budget is assigned.
- B. the project manager is appointed.
- C. the charter is completed.
- D. B and C.

**117. Which is not used as a tool and technique for information gathering during the risk identification process?**

- A. SWOT.
- B. Delphi.
- C. Interviewing.
- D. Simulation.

**118. General management encompasses:**

- A. Planning, organizing, Staffing, executing and controlling the operation of an ongoing enterprise.
- B. Business policy ,financial management, business economics, contract administration , and legal services necessary for operating an enterprise.
- C. Business strategy ,planning and controlling, organizational behaviour , procurement and personal administration required for managing the ongoing aspect of a
- D. Organizational development, staffing, marketing and sales ,procurement, and contract administration as part of an ongoing organization.

**119. Project Management is the art and science of converting abstract into concrete or vision in reality. The realization can be most effective through formula understanding of project management process. What are the 5 management process?**

- A. Conceptualize plan, execute, control, and close-out.
- B. Initiate ,plan, execute, control, and finish.
- C. Initiate, plan, execute, control, and close-out.
- D. Initiate, plan , implementation, control, and close-out.

**120. All of the following statements concerning project stakeholders are true except?**

- A. Difference should be resolved in favour of the customer whenever possible.
- B. Managing stakeholder expectation may be difficult because stakeholders do not have very different stage objectives that may come into conflict.
- C. Project stakeholder may influence the course of the project and its result .
- D. Key stakeholders are senior management.

**121. The difference between an activity's schedule completion and actual completion is called:**

- A. earned value.
- B. schedule variance.
- C. schedule performance index.
- D. Budget variance.

**122. From the "view exhibit " button how many days of float does activity G have?**

- A. 0
- B. 2
- C. 10
- D. 7

**123. Project performance is impacted by 4 basic cultures. Which of the following is not one of the 4 basic culture?**

- A. leadership.
- B. world.
- C. business.
- D. international.

**124. Which of the following are not categorized as Herzberg's hygiene factors?**

- A. Working condition and salaries .
- B. Security and relationship at work.
- C. Personal life and working conditions.
- D. Recognition and responsibility.

**125. You are writing a document identifying the business need for a project which includes a description of the product to be created by the project and high level objectives and goals .What is your role in the project?**

- A. The project manager for the project.
- B. A member of the project core team working at the direction of the project manager.
- C. The sponsor.
- D. The manager or executive in the organization who is higher in the corporate organization than the project manager.

**126. Aids in staff acquisition do not include:**

- A. staffing management plan.
- B. a team directory.
- C. training.
- D. negotiation.

**127. As the project manager you send out a weekly report to the team identifying exact to the day where the project stands. What type of report you are communicating to the team?**

- A. progress report.
- B. status report.
- C. forecast report.
- D. variance report.

**128. The closing progress includes :**

- A. generating, gathering, disseminating information to formalize phase or project completion.
- B. Collecting and disseminating performance information.
- C. completing and settling contracts and excluding the resolutions of any open items.
- D. Ensuring the project will satisfy the needs for which it was undertaken.

**129. The major process in project integration do not include:**

- A. Project plan development.
- B. Integrated change control.
- C. Activity sequencing.
- D. Project plan execution.

**130. The PMI officer resolution has just filled final resolution regarding a grievance against you. Can you appeal?**

- A. You may appeal the officer's final resolution within 10 days.
- B. You may appeal the officer's final resolution within 30days.
- C. A resolution by the officer can not be appealed.
- D. an appeal may be presented only if the "grievant " withdraws the grievance.

**131. What is meant by the phrase" The fundamental principal of proportionate expenditure must never be violated when selecting management and mitigation strategies"?**

- A. In other words don't throw \$1,000 solution at a \$100 problem.
- B. Ensure there is sufficient management reserve for high impact risks.
- C. Ensure there is sufficient management reserve for high impact and high probability risks.
- D. Ensure there is sufficient contingency reserve for both high impact and high probability risks.

**132. What is not a true statement about Risk?**

- A. A single event risk may cause several effects as when a late delivery of a computer system produce costs overruns, schedule delays ,and reduced morale.
- B. Most risks are more likely to occur in the early stages of a project as most risks ,have not surfaced and the requirements and designs are still changing.
- C. Later in the project life cycle, there are fewer risks but often if they occur , they can have a significant impact.
- D. Risk planning is reactive.

**133. what is Buyer's risk objective in Project Procurement Management?**

- A. to place maximum performance risk on their seller while maintaining incentive for economic performance.
- B. to pay the least amount of money.
- C. to get a quality supplier.
- D. to minimize risk.

**134. What is the meaning of 'ethnocentrism'?**

- A. The acceptance of another culture.
- B. The awareness of another culture but not necessarily the acceptance of that culture.
- C. The acceptance of another culture as a function of doing business internationally.
- D. The believe that your own culture is superior.

**135. You are teaching a class of junior project leaders the benefit of calculating and understanding schedule variance(SV).Your class is using the following value to determine the 'health' of project. PV=\$220,000 EV= 200,000, AC=280,000.**

**According to your analysis the SV and hence the status of the project is:**

- A. \$20,000 the project is ahead of schedule.
- B. -\$20,000 the project is behind schedule.
- C. -\$80,000 the project is behind of schedule.
- D. \$60,000 the project is behind of schedule.

**136. As, the customer you have decided the contract out a scope of work that you are not able to define very well. You plan to be "hands on" and actively participate with your own forces during the performance of the work. Of the following contracts type, which would be the preferred contract type to select under this scenario?**

- A. CPPC
- B. FFIF.
- C. CPIF.
- D. CPFF.

**137. Customer risk is highest with:**

- A. Firm fixed price contracts.
- B. Cost plus incentive fees.
- C. Cost sharing.
- D. Fixed price plus incentives.

**138. According to standard statistical control rules if the data result reflect 7 consecutive data points on either side of the mean, this tells you:**

- A. that the process is out of control.
- B. that the process is in control.
- C. that there is an abnormal trend which bears investigations.
- D. that the process is cyclical.

**139. A histogram that is order by frequency of occurrence and shows how many results were generated by type or identified cause is called a :**

- A. Statistical control chat.
- B. Ishikawa diagram.
- C. Pareto diagram.
- D. Cause –and effect diagram.

**140. In a matrix organization, both the functional and project manager shares certain responsibilities. Which of the following is not a responsibility of the project manager?**

- A. Complete task definition.
- B. Resource requirement definitions.

- C. Major timetable milestones.
- D. personnel performance measurements.

**141. What is unilateral contract?**

- A. a contract that has only one signature.
- B. a purchase order.
- C. a RFQ
- D. a sealed bid.

**142. What is one of the ways that a contract typically does not end?**

- A. Successful performance .
- B. Mutual agreement.
- C. breach.
- D. extension.

**143. Administrative closure includes all the following expert:**

- A. documentation of lesson learned.
- B. verifying records including final; specification.
- C. formal written notice to the contractor of project completion.
- D. a collection of project reports.

**144. A playground fencing project was FPQ'd at \$6 per foot. The play area has 4 equal side of 125 feet each and first requires the installation of 2 round cement posts for decorative purposes. 100 feet of fencing can be erected per day once the cement posts are installed. The 2 cement posts costs \$250 to install and take oneday for both to be installed. At the end of day three one side of the fence and 2/3 second side have been completed , What is the current status of the project?**

- A. the budget is on target with a 0 schedule variance.
- B. It is behind schedule with a schedule variance of -\$750.
- C. It is under budget , with a cost variance of \$500 with the completion of the cement posts.
- D. It is over budget with a cost variance of \$-500.

**145. Which of the following is not aid in achieving consensuas?**

- A. avoiding conflict.
- B. maintaining a focus on the problem not each other.
- C. avoiding self-oriented behaviour.
- D. Seeking facts.

**146. Project manager must carefully select the appropriate mode when managing conflict .Which of the following modes provide resolution when managing conflict ?**

- A. withdrawal, smoothing.
- B. compromising, forcing.
- C. forcing, problem solving.
- D. withdrawal, problem solving.

**147. During communications the sender is not responsible for:**

- A. Clarity.
- B. Unambiguousness.
- C. Completeness of message.



D. Correctness of understanding.

**148. Which is not a tool or technique used in the quantitative risk analysis process?**

- A. interviewing.
- B. SWOT analysis.
- C. Sensitivity analysis.
- D. Simulation.

**149. Each project life cycle phase can act as a control point to measure progress and determine if the project should continue (go/no go decision ).These control points are called \_\_\_\_\_.**

- A. Phase exit.
- B. kill point.
- C. Stage gate.
- D. all of the above.

**150. Given the following set of data: 40 20,20,50,70 and 75: what is the median?**

- A. 40
- B. 50
- C. 45
- D. 20

**151. Which of the following are not example of barriers?**

- A. idea killers and negative positioning.
- B. devil's advocate and cultural differences.
- C. amount of information, project jargon ,and terminology.
- D. lack of subject knowledge and " its never been done before".

**152. Internal rate of return is:**

- A. The present values of all cash flows.
- B. The net present values of all cash flows.
- C. The interest rate that equates the present value of expected future net cash inflows to the initial cost outlet.
- D. the interest rate that equates all future cash inflows to zero.

**153. Several months ago you completed an intranet design website project .This intranet site houses sensitive company data and high –security access is crucial. You are now working on another high security project and you notice what appears to be a flaw or hole 'in ' the security code. However the access sequence is so obscure that you are certain no one has been able to break security yet. What should you do?**

- A. Keep the discovery to yourself but monitor the situation incase something does occur.
- B. Alert your senior manager and ask that someone immediately confirm your findings.
- C. Have someone immediately repair the perceived security flow.
- D. Alter the security team.

**154. When the expected cash flow S-curve is above the cost performance baseline?**

- A. no corrective action is required since the baseline cost exceeds the expected costs.
- B. corrective action is required since the baseline cost exceeds the expected costs.
- C. corrective action is required since the expected cost exceeds the expected costs.

D. no corrective action is required since the expected cost exceeds the expected costs.

**155. In general the following statements are true about a project , except when it is:**

- A. is directed as achieving a specific result.
- B. has a limited duration- beginning and end.
- C. involves the co-ordinated undertaking of interrelated activities.
- D. is repeatable.

**156. The graphic displays of results over time ,of a process used to determine the states are called:**

- A. Fishbone diagram.
- B. control charts.
- C. Pareto charts
- D. Histograms.

**157. Formal acceptance of a project can be described when:**

- A. The project is almost complete.
- B. Customer signoff the product is documented .
- C. Final payment is made .
- D. Contract documentation is approved.

**158. From the “view exhibit” button , how many days of free float does activity H have?**

- A. 0
- B. 8
- C. 2
- D. 12

**159. Which of the represents the different channels of communication?**

- A. Problem solving and compromise.
- B. Compromise and confrontation.
- C. Upward, downward, and lateral.
- D. memos, status reports , and rumors.

**160. One of the 9 “ilities” or attributes of qualities is “Availability”. Availability means the probability of a product being capable of performing a required function under the specified condition when called upon. The key parts to availability are:**

- A. reliability and maintainability.
- B. reliability and flexibility.
- C. maintainability and flexibility.
- D. producibility and operability.

**161. Which is not a true statement about the 5 project process group?**

- A. Concerned with describing and organizing the work of the project.
- B. Linked by the product they produce.
- C. Concerned with specifying and creating the product of the project.
- D. Executed of the project as a whole , and for each phase within the PLC.

**162. Every culture is governed by five fundamental dimensions. Which of the following is not one of those dimensions?**

- A. Information flow.
- B. language.
- C. Sense of time.
- D. Sense of ownership.

**163. Project managers working in successful ,projectized environments believe that spend what percentage of their time on communications?**

- A. 30-45%
- B. 45-60%
- C. 60-75%
- D. 75-90%

**164. Which of the following is an example of the cost of conformance to quality?**

- A. Supports call.
- B. Training.
- C. Scrap.
- D. Warranty costs.

**165. Your risk analysis involving your project scope reflects your project has an 70% chance of completing the scope by a specified date with an 80% chance of receiving approval for the scope by a certain date. Based on this data , what is the probability of both events occurring?**

- A. 0.75
- B. 0.8
- C. 0.5
- D. 0.56

**166. A driver's license is required by law before an individual can drive a car .Similarly the project manager requires a \_\_\_\_\_ document in order to plan, execute and control a project.**

- A. Scope statement.
- B. Project budget.
- C. Project charter.
- D. WBS.

**167. The change control board is \_\_\_\_\_.**

- A. A required part of every project.
- B. not formally constituted but the idea is important.
- C. Varies in size from project to project.
- D. an impediment to getting work done.

**168. Your quality control team leader has advice you, the latest control chart data reflects that last 7 books produced were outside the lower control limit. What action should you take as the project manager on this training?**

- A. Stop the printing of the books.
- B. Work with the production team to bring the future printing within the control limits.
- C. Look for the non-random causes for the variations.

D. Plan to fix the 7 books.

**169. According to the study conducted by Thamhein and Wilemon, which of the following are the top 3 sources of conflict in order of frequency of occurrence during the initiation phase?**

- A. project priorities, administrative procedures and schedules.
- B. Project priorities, schedules, and cost issues.
- C. administrative procedure, schedules and costs.
- D. schedules, technical issues, and administrative procedures.

**170. Which is not a true statement regarding “influence diagram”?**

- A. It is simple visual representation of a decision problem.
- B. It provides an intuitive way to identify and display the essential elements, including decisions, uncertainties, and objectives and how they influence each other.
- C. They are essentially qualitative.
- D. They are essentially quantitative.

**171. Manual activity sequencing is most effective in the planning of :**

- A. large project with an abundance of detail.
- B. Small projects.
- C. High value projects.
- D. low-priority projects.

**172. Which of the following are the only costs that appear in project contract?**

- A. direct.
- B. indirect.
- C. variable.
- D. semi variable.

**173. Scope verification is primarily concerned with:**

- A. Quality assurance.
- B. Quality control.
- C. Status of work result.
- D. acceptance of results.

**174. When distributing information, the total message impact on the sender is as follows:**

- A. 20% words, 35% vocal tones and 45% body language.
- B. 10% words, 60% vocal tones and 30% body language.
- C. 7% words, 38% vocal tones and 55% body language.
- D. 7% words, 55% vocal tones, and 38% body language.

**175. In earned value terms the “CAP” represents the:**

- A. Control account plan.
- B. Cost account plan.
- C. Command account plan.
- D. Criteria analysis plan.

**176. Comparative approaches, scoring models and benefit contribution are all part of :**

- A. Constrained optimization models for selecting a project.
- B. Benefit measurement model for selecting a project.
- C. Cost estimating technique.
- D. quality control technique.

**177. At a project meeting, you realize that your client has mistakenly assumed that the PMP designation includes professional engineering qualifications. He has asked that certain drawing be modified slightly at the meeting and then sent immediately to production. Your engineering partners approved and stamped the drawings prior to the meeting but are not present. What should you do?**

- A. To avoid delays, modify the drawings as the client requests and forward engineers approved revisions as soon as possible.
- B. Modify the drawings as the client requests , forward revision as soon as possible, review the intent of the PMP designation and indicate the engineer approved
- C. Review the intent of the PMP and explain that your engineering team will review ,revise and issue the drawings as soon as possible.
- D. Refuse to make the change ,as a change at this stage of the project would compromise the timeline which is the priority constraint.

**178. Which of the following is the most key element of contract?**

- A. Offer.
- B. Acceptance.
- C. Performance.
- D. Exchange.

**179. The seller can play all but \_\_\_\_\_ when the seller breaches the contract**

- A. Consequential damages.
- B. Liquidated damages .
- C. Punitive damages.
- D. Compensatory damages.

**180. In your role as a contract project manager ,you are asked to review the plans and satisfactions for a new product for company A. Representatives of technical publication have asked you to write a paper on industry and product trends in the same field in which company A operates. How should you proceed?**

- A. Write the article but leverage only high level information from company A.
- B. Write the article.
- C. Write the article and name company A as a reference in your paper.
- D. Consult the intellectual property clause of your contract and consult your employer prior to leveraging any information from company A.

**181. One of the 3” responsibilities to the profession” found in the code of professional conduct states that you must adhere to candidate/certificant professional practices.This means that:**

- A. You must maintain and respect the confidentiality of sensitive information obtained in the course of professional activity.
- B. You must ensure that a conflict of interest does not compromise legitimate interest of client or customer.
- C. You must recognize and respect intellectual property developed or owned by others.

D. You must provide accurate , truthful advertising and representation concerning qualifications, experience, and performance of services.

**182. You can \_\_\_\_\_ the opportunities and \_\_\_\_\_ risk the most during the \_\_\_\_\_ stage.**

- A. minimize, maximize ,closeout.
- B. maximize, minimize, concept .
- C. maximize, minimize, closeout .
- D. enhance, minimize, concept.

**183. Qualitative risk analysis is the process of assessing the impact and likelihood of identified risks. What is not true about this process?**

- A. The process should be revisited during the project life cycle to stay current with changes in the project's risks.
- B. The process evaluates the quality of the risk information available.
- C. The process determines the importance of a addressing and planning response for specific risks and their time criticality.
- D. The process provides detailed information, such as probability of achieving objectives.

**184. In a team meeting ,two team members are arguing intently and their voices are starting to get louder. As the project manager you step into manage the conflict by pointing out the part of conflict that they both agree to in a gentle tone. What type of conflict management are you deploying?**

- A. Smoothing.
- B. Consensus.
- C. Problem solving.
- D. Compromising.

**185. One of your co-workers and long time friend has left the organization. He calls and ask you to send him a list of common project deliverables. He would also like the copies of the templates associated with each. What do you do?**

- A. Send him only the list but not the templates.
- B. Send him both the list and the templates since neither contains confidential company data .
- C. Send him nothing but point him to a good reference book found in PMI's online bookstore.
- D. Send him nothing and report the incident to your supervisor.

**186. All of the following are characteristics of “Discretionary Dependencies” except:**

- A. also known as “Best practices”.
- B. can be referred to as” soft logic”.
- C. Often involve physical limitations.
- D. Should be documented.

**187. Globalization had led to the need for project managers to develop new skills. To have a successful international project , project manager must:**

- A. be available to fly frequently to the project site if it is in a foreign country.
- B. be fluent in many foreign languages.
- C. Study and address cultural aspects of the project.
- D. budget for bribes that may be required to be paid during planning and execution.

**188. Supplier risk is highest with \_\_\_\_\_.**

- A. Firm fixed price contract.
- B. Cost plus incentives fee.
- C. Cost sharing.
- D. Fixed price plus incentives.

**189. There is money remaining in your project budget at completion. You are pleased as there is another piece of work with the customer on the horizon. Your customer suggests that you and he uses the remaining funds to review the results while visiting a weekend resort. He states that his wife will be accompanying him and suggest that your spouse also attends. He indicates that you should charge the expenditure under administrative closeout.**

- A. Accept the offer and tell your spouse to for a weekend away.
- B. Agree to participate in the weekend but insist on paying for your spouse.
- C. Agree to participate but suggest that neither spouse should be subsidized by the project funds.
- D. Decline the offer and schedule the review at the office or at a local alternative place of business.

**190. You are competing for a new contract that is triple the value of your current contract. At your interview , you are asked to draw on your previous 2 years of work experiences to explain critical success factors on an effective software development cycle. The interviewer's are familiar with parties you may have worked with and specifically ask who have worked with at two companies. You did not choose names from either of the companies mentioned for your reference list .How should you reply?**

- A. Provide the names as requested.
- B. Provides the names but ask that the interviewers not contract those you have name until you call back with the okay.
- C. State that you don't recall the names of the individuals.
- D. Suggest that you can provide additional references after receiving approval from the individuals to use their names.

**191. One of the project selection criteria is the benefit cost ratio. One potential project you are reviewing has a BCR of 1.22. This indicates that:**

- A. payback is 1.22 months.
- B. payback is \$1.22 for every dollar expanded.
- C. cost is 1.22 more than the anticipated profit.
- D. Cost are greater than the anticipated benefits.

**192. You attend an executive presentation at your office. Your project manager presents a maturity model that is identical to a tool you both learned of at a recent conference. She describes the model as the corporate model her team has developed. The executive request that you email the presentation to them. What should you do?**

- A. interrupt your manager's presentation and give credit to the original author.
- B. After the meeting, remind your manager of the copy right. Suggest containing the author for permission to use the model of leveraging ideas to create a custom.
- C. Support your manager by reinforcing the importance of the benefit of the models to the executive.
- D. Contract the original author and advise them of your Manager's actions. Email them a copy of the slides for confirmation.

**193. From the “View exhibit “ button ,which activity list contains the critical path for the project.**

- A. ABCFGHL.
- B. ABCDEL.
- C. ABCDEFGL.
- D. ABCIJKL.

**194. You have been asked to coordinate the visit of a number of key stakeholders to a project site in foreign country. Your local contract advises that you must pay a per-person fee to arrange for efficient processing through the airport security checks. One member of the delegation has concurred that this is necessary based on previous experience. What if any, steps should you take prior to making the payment?**

- A. Reduce the size of the delegation to avoid the unbudgeted, aided cost.
- B. Confirm that the transaction is legitimate not a bribe.
- C. Refuse to make the payment.
- D. Investigate the situation upon arrival at the airport.

**195. You have developed a very positive , informal relationship with your client. Over coffee, your clients indicates that his company is about to benefit from a very large multi million dollar contracts. He speculates that the stock price will jump up the day after tomorrow. At a social event , you learn that your manager’s wife who has invested in the company previously ask you how things are going and what the future prospects might be. What do you tell her?**

- A. Share the details of your conversation with the client. And recommended that now may be a good time to invest.
- B. Suggest that she have your manager, her husband, contract your client directly to talk about the company’s potential.
- C. Advise your manager’s wife that you must honour and maintain the confidentiality and privacy of your client and client information.
- D. Tell her that you have no idea how the company is doing financially as you are concerned as with the specifics of the projects.

**196 A control chart for a major project process shows that seven consecutive data points of the nine sample averages are above the process average within the control limits. What is indicated by the phenomenon?**

- A. The process average is moving to the upper values and needs to be corrected.
- B. No action is required because the points are still within the control limits.
- C. The process is out of control and should be investigated.
- D. This is consider abnormal behavior and should be investigated.

**197. From the “view exhibit” button , Which task(s) have a CPI over budget?**

- A. Task 2 only.
- B. Task 3 and 4.
- C. Task 3 and 2.
- D. Task 1 and 2.

**198. What is incorrect, or the least true statement about a benefit /cost analysis?**

- A. It should be performed again during project execution using the EAC projections.
- B. It should use present value techniques.
- C. Never looks beyond the end of the project.



D. It should only be performed again after a project is started using the original data.

**199. From the “view exhibit” what would the best statement be about the overall project performance?**

- A. We are tracking slightly behind schedule and under budget more than 10%.
- B. We are tracking slightly behind schedule and are right on target with the budget.
- C. We are right on schedule and a little over the budget.
- D. We are tracking slightly behind the schedule and a little over the budget.

**200. You are under pressure to release a new version of software program to avoid serious cash penalties and loss of market share. Two days before the targeted release date, a developer brings a potential bug to your attention .Although the developer and a test engineer have been unable to re-create the bug, the feature in question is critical to meeting legal requirements dictated by the governing regulatory body responsible for public safety. What should you do?**

- A. Postpone the release date.
- B. Re-assemble the test team and continue the testing until the bug is detected and corrected.
- C. Re-assemble the test team and continue testing. Develop potential scenarios and advise the appropriate stakeholders of the recommended course of action.
- D. Release the software and add the item to the list of issues to be addressed by the next patch or release.

**ANSWERS**

1. A	26. C	51. A	76. A	101. A	126. C	151. C	176. B
2. D	27. D	52. A	77. D	102. B	127. B	152. C	177. C
3. A	28. A	53. C	78. A	103. A	128. A	153. B	178. A
4. B	29. D	54. B	79. B	104. B	129. C	154. D	179. C
5. B	30. A	55. D	80. A	105. C	130. C	155. D	180. D
6. C	31. A	56. A	81. D	106. C	131. A	156. B	181. D
7. D	32. D	57. D	82. D	107. D	132. D	157. B	182. B
8. A	33. A	58. D	83. A	108. B	133. A	158. B	183. D
9. B	34. D	59. C	84. C	109. D	134. D	159. C	184. A
10. C	35. D	60. D	85. B	110. D	135. B	160. A	185. C
11. B	36. B	61. D	86. B	111. B	136. A	161. C	186. C
12. B	37. A	62. A	87. C	112. C	137. B	162. D	187. C
13. B	38. B	63. C	88. A	113. C	138. C	163. D	188. A
14. B	39. D	64. D	89. B	114. B	139. C	164. B	189. D
15. B	40. A	65. D	90. D	115. A	140. D	165. D	190. D
16. A	41. C	66. B	91. A	116. D	141. A	166. C	191. B
17. D	42. C	67. C	92. C	117. D	142. D	167. B	192. B
18. C	43. D	68. C	93. C	118. A	143. C	168. A	193. D
19. B	44. B	69. C	94. C	119. C	144. A	169. A	194. B
20. C	45. A	70. D	95. D	120. D	145. A	170. D	195. C
21. A	46. C	71. B	96. D	121. B	146. C	171. B	196. D
22. D	47. A	72. B	97. A	122. D	147. D	172. A	197. A
23. D	48. D	73. B	98. B	123. D	148. B	173. D	198. D
24. D	49. A	74. C	99. B	124. D	149. D	174. C	199. A
25. B	50. D	75. A	100. D	125. D	150. C	175. A	200. C

# Question Set 3

Total Questions: 75

**1. Regarding management and leadership all of the following are true except**

- A. On a project, particularly a larger project, the project manager is generally expected to be the project's leader as well.
- B. Technical leadership is of primary importance in project management.
- C. Managing is primarily concerned with consistently producing key results expected by stakeholders.
- D. Leading involves establishing direction, aligning people, motivating and inspiring.

**2. A company has to make a choice between two projects, because the available resources in money and kind are not sufficient to run both at the same time. Each project would take 9 months and would cost \$250,000.**

**1. The first project is a process optimization which would result in a cost reduction of \$120,000 per year. This benefit would be achieved immediately after the end of the project.**

**2. The second project would be the development of a new product which could produce the following net profits after the end of the project:**

<b>1. year:</b>	<b>\$</b>	<b>15,000</b>
<b>2. year:</b>	<b>\$</b>	<b>125,000</b>
<b>3. year:</b>	<b>\$</b>	<b>220,000</b>

**Assumed is a discount rate of 5 % per year. Looking at the present values of these projects' revenues in the first 3 years, what is true?**

- A. Both projects are equally attractive.
- B. The first project is more attractive by app. 7%.
- C. The second project is more attractive by app. 5%.
- D. The first project is more attractive by app. 3%.

**3. A production process has been defined as part of an industrial equipment manufacturing project. The process is intended to produce steel bolts with a length of 20 cm. The acceptable control limits are 19.955 cm and 20.045 cm.**

**The measurements made at the end of the process yielded the following results:**

**20.033 cm, 19.982 cm, 19.995 cm, 20.006 cm, 19.970 cm, 19.968 cm, 19.963 cm, 19.958 cm, 19.962 cm, 19.979 cm, 19.959 cm.**

**What should be done?**

- A. The process is under control. It should not be adjusted.
- B. The process should be adjusted.
- C. The control limits should be adjusted.
- D. The measuring equipment should be recalibrated.

**4. What are the 4 stages of team development?**

- A. Forming, Storming, Norming, Performing.
- B. Enthusiasm, Hope, Panic, Solution.
- C. Assignment, Kickoff, Training, Communicating.
- D. Direction, Motivation, Cooperation, Collaboration.

**5. During a software project Earned Value Analysis is performed and gives the following results:**

**EV: 523,000; PV: 623,000; AC: 643,000.**

**Which results are correct?**

- A. CV: +120,000; SV: +100,000.
- B. CV: +100,000; SV: +120,000.
- C. CV: -100,000; SV: -120,000.
- D. CV: -120,000; SV: -100,000.

**6. Which of the following is not normally an element of the Project Charter?**

- A. The formal authorization to apply organizational resources to project activities.
- B. Work package descriptions.
- C. The business need that the project was undertaken to address.
- D. The product description or a reference to this document.

**7. Which process is applied to break down the project into smaller, more manageable elements?**

- A. Scope Planning.
- B. Activity Duration Estimating.
- C. Scope Definition.
- D. Scope Verification.

**8. Which of the following Tools and Techniques are part of Risk Management Planning?**

- A. Risk planning meetings.
- B. Documentation reviews.
- C. Data precision rankings.
- D. Diagramming techniques.

**9. All of the following statements concerning project stakeholders are true except :**

- A. Differences between or among stakeholders should be resolved in favor of the customer.
- B. Managing stakeholder expectations may be difficult because stakeholders often have very different objectives, that may come into conflict.
- C. Project stakeholders may influence the course of the project and its results.
- D. Differences between or among stakeholders should be resolved in the most cost efficient manner consistent with project objectives.

**10. Which of the following is the output of Source Selection?**

- A. Proposals.
- B. Evaluation criteria.
- C. Contract negotiation.
- D. Contract.

**11. Which of the following statements is not true?**

- A. Standards and regulations are mandatory.
- B. According to ISO, standards are not mandatory, but regulations are.
- C. Standards often begin as guidelines that are not mandatory. With later widespread adoption, they can become de facto regulations.
- D. Standards and regulations are socio-economic influences to a project.

**12. Which type of leadership is best suited for optimizing team performance in projects?**

- A. Democratic leadership.
- B. Participative leadership.
- C. Autocratic leadership.
- D. Benevolent authoritative leadership.

**13. Where is the result node (outcome) shown on a typical Ishikawa or Fishbone diagram?**

- A. Top.
- B. Bottom.
- C. Right hand side.
- D. Center.

**14. A project management team has subcontracted work to a service company. The process of ensuring that this service company's performance meets contractual requirements is called:**

- A. Contract Administration.
- B. Staff Acquisition.
- C. Contract Closeout.
- D. Contract Negotiation.

**15. What are workarounds in project management?**

- A. Workarounds are essentially the same as rework.
- B. Workarounds are alternative strategies.
- C. Workarounds are unplanned responses to emerging risks that were previously unidentified or accepted.
- D. Workarounds are activities performed according to applicable contingency plans.

**16. What are faits accomplis?**

- A. A French dinner after a kick-off meeting.
- B. Unachievable deliverables.
- C. Accomplished objectives.
- D. Decisions made earlier which limit the options for decision making.

**17. During execution of a project which is performed for a customer on a T&M (Time and Material) contract base a new project manager is taking over the assignment. He discovers that two members assigned to the project have charged time without performing any work. Upon further investigation, he determines that this occurred because there were no other project assignments available for these people. The customer is unaware of these facts. What should the project manager do?**

- A. Try to find some productive work for these staff members in the project and leave them on the team.
- B. The best thing is to do nothing. The customer will not realize the problem anyway.
- C. Try to find a responsible person for the over-assignment who can be made accountable.

D. Take the two people off the team immediately and arrange for the refund of the excess charges to the customer.

**18. In the following network logic diagram start dates are defined as early morning, finish dates are evening.**

**If tasks are scheduled to begin at early start date, what is true?**

- A. Activity B has a free float of 10 d.
- B. Activity B has a total float of 10 d.
- C. Activity A has a free float of 10 d.
- D. Activity A has a total float of 10 d.

**19. Which of the following is not considered to be part of Project Resource Management?**

- A. Working staff.
- B. Materials.
- C. Equipment.
- D. Time and money.

**20. Tools and Techniques of Risk Response Planning include:**

- A. Identifying, quantitative and qualitative analysis, monitoring and control.
- B. Avoidance, transference, mitigation, acceptance.
- C. Identification, assessment of magnitude and probability, assessment of costs of response .
- D. Risk management reviews.

**21. What are "Global Literacies"?**

- A. The ability to read reports written in many different languages.
- B. The ability to succeed in a cross cultural environment.
- C. The ability to develop internationally accepted contracts.
- D. The ability to communicate using drawings and pictograms which are understood all over the world.

**22. A project manager performs Earned Value Analysis and finds the following values: EV: 100,000; PV: 125,000; AC: 100,000**

- A. The project is on schedule but costs exceed budget.
- B. The project is on schedule and on budget.
- C. The project is behind schedule but on budget.
- D. Then project is behind schedule and costs exceed budget.

**23. During a project the scope of product purchased on a cost reimbursable contract has increased. In the contract the contractor's indirect costs are calculated as 20 % of the direct costs. What is most likely to be true?**

- A. The contractor's indirect costs will increase and the customer's payment for them will increase, too.

- B. The contractor's indirect costs will increase but the customer's payment for them not.
- C. Neither the indirect costs nor the customer's payment for indirect costs will increase.
- D. The contractor's indirect costs will not increase but the customer's payment for them will.

**24. A project management team is evaluating the causes that might contribute to unsatisfactory performance and quality. Which of the following statements is not true?**

- A. Normal process variation is attributable to random causes.
- B. Special causes are easier to predict and handle than random causes.
- C. Special causes are unusual events.
- D. A process can be optimized to limit the bandwidth of variations due to random causes.

**25. You are performing a project management audit in your company and find that most of the project plans are neither consistent nor up-to-date. Which of the following statements is not true?**

- A. Projects should never be executed without a valid, updated and working project plan.
- B. The project plan is secondary because it is only the results that matter.
- C. A great deal of effort is required to develop and update a project plan, but the benefits include less pressure on all stakeholders and a resulting product that will satisfy the requirements.
- D. Poor planning is one of the major reasons for cost and time overruns.

**26. What is active risk acceptance?**

- A. Creating contingency reserves in money and time.
- B. Developing a plan to minimize potential impact.
- C. Developing a plan to minimize probability.
- D. Making additional resources available.

**27. Project costs are over budget when**

- A.  $CPI > 1$ .
- B.  $CPI < 1$ .
- C.  $CPI < 0$ .
- D.  $SPI = 1$ .

**28. Which of the following statements is not true?**

- A. Only those who realize that cultural differences are a resource to be fully utilized will survive.
- B. There is a common ground for people from different cultures on which they can interact without unsolvable conflicts.
- C. Cultural differences will always be an obstacle to be overcome.
- D. Culture is a critical lever for competitive advantage.

**29. What is a quality audit?**

- A. A team meeting dedicated to measuring and examinations.
- B. A quality based inspection of work results.
- C. A structured review of quality management activities.
- D. A meeting with the customer to identify quality requirements.



**30. You are assigned as the project manager in a project with an aggressive schedule. During a recent meeting your team complained about the high pressure applied and the many hours of overwork time. What is the preferred solution to handle the problem?**

- A. Try to obtain additional budget and time.
- B. Improve team communication and availability of high quality data on risks. Use this information to enable you to make well-founded decisions earlier.
- C. The problem might be the customer disturbing project rhythm. Keep him on distance from the team.
- D. Apply fast tracking to shorten project duration without additional work.

**31. Activity 1 has a duration of 20 days, Activity 2 of 10 days, Activity 3 of 5 days and Activity 4 of 6 days. What is the minimum total duration between the Milestones A and B?**

- A. 36 days.
- B. 37 days.
- C. 39 days.
- D. 42 days.

**32. Which of the following statements is true concerning Scope Definition?**

- A. The Activity List is a principle output used for resource allocation and is an input to network diagramming.
- B. The Scope Statement is a principle output containing a narrative description of project work and deliverables.
- C. The Project Charter is a principle output and authorizes the project.
- D. The Work Breakdown Structure is a principle output and should be broken down to a level which allows sufficient accuracy in planning.

**33. All the following statements regarding "whistleblowing" are true except :**

- A. It is the term used to define an employee's decision to disclose information on unethical, immoral or illegal actions at work to an authority figure.
- B. An employee should always discuss the matter with people external to the company before following the "chain of command" and discuss it with the immediate superior.
- C. The consequences of whistleblowing are often extreme and include possible being branded as having bad judgment, firing, civil action and imprisonment.
- D. Carefully considered whistleblowing can lead to the end of unethical business practices.

**34. Which of the following statements is not true?**

- A. Attribute sampling is the process of assessing whether results conform to specifications or not.
- B. Prevention means keeping errors out of the process
- C. Variables sampling means that the result is classified into one of the 3 categories: "acceptable" - "acceptable after rework" - "rejected".
- D. Inspection means keeping errors out of the hands of the customer.

**35. Why should assumptions be documented?**

- A. Assumptions might prove to be wrong. Knowing which assumptions were incorrect allows baseline adjustments in case of project crisis.
- B. Assumption analysis is a valuable tool and technique of Risk Identification.
- C. Assumptions limit the project management team's options for decision making.
- D. In case of schedule or budget overruns, the documentation of assumptions supports a clear assignment of responsibility.

**36. All the following statements are true except :**

- A. It is axiomatic of the quality management discipline that the benefits outweigh the costs.
- B. Quality should be tested and inspected into work results on a regular base.
- C. The primary cost of meeting quality requirements is the expense associated with project quality management activities.
- D. The primary benefit of meeting quality requirements is less rework, which means higher productivity, lower costs, and increased stakeholder satisfaction.

**37. Which of the following statements about diagramming methods is not true?**

- A. PDM is the same as AON.
- B. ADM is the same as AOA.
- C. GERT is the same as System Dynamics Model.
- D. GERT and System Dynamic Model are examples of conditional diagramming methods.

**38. A project is managed by a project coordinator. Which of the following statements is most likely to be true?**

- A. The performing organization is a weak matrix.
- B. The performing organization is doing "management by projects".
- C. The performing organization is a strong matrix.
- D. The performing organization is projectized.

**39. Which of the following statements concerning cross-cultural differences is true?**

- A. There is no one "best way" for project organization.
- B. Some cultures have values, some not.
- C. Cultural dilemmas should be denied to not allow them to disrupt project work.
- D. Communicating across cultures should only be done using language. The nonverbal dimension bears too many risks.

**40. What are dummy activities?**

- A. Activities in PDM which are not necessary and can be dropped if time is running out.
- B. Arrows in ADM which represent dependencies between nodes without real activities.
- C. Activities, which can be passed to the team members with the lowest IQ.
- D. Activities in PDM which are not performed by team members.

**41. Which of the following are not cost of quality?**

- A. Prevention costs.
- B. Failure costs.

- C. Transportation costs.
- D. Appraisal costs.

**42. What is a trigger in project risk management?**

- A. An expected situation causing an unidentified risk event to occur.
- B. A warning sign that an identified risk event might have occurred.
- C. An unexpected situation causing an identified risk event to occur.
- D. An unexpected situation causing an unidentified risk event to occur.

**43. According to the project plan, a contractor is scheduled to deliver some software components at the end of the day. A regular payment is due to be made to this contractor tomorrow.**

**The project team received a note this morning informing them that the software delivery will be delayed by 2 weeks.**

**This morning, the project team received a note that the software will be delayed by 2 weeks.**

**How should the project management team react?**

- A. The project management team should delay payment for 2 weeks.
- B. The project management team must immediately find a different contractor.
- C. The project management team should conduct a meeting with the contractor to resolve the delivery issues before making the payment.
- D. The project management team should make the payment and reschedule the project plan.

**44. In a software company a large number of simultaneously performed projects utilize the same groups of human and other resources.**

**What is the term commonly used for this situation?**

- A. Concurrent engineering.
- B. Resource over-allocation.
- C. Resource pooling.
- D. Program management.

**45. What does the acronym RAM commonly stand for in project management?**

- A. Responsibility Assignment Matrix.
- B. Remotely Applied Measurements.
- C. Risk Aware Management.
- D. Randomly Accessible Material.

**46. What is not handled as a constraint in project management?**

- A. Laws and regulations.
- B. Limits of authorization.
- C. Team preferences.
- D. Physical constraints.

**47. A precontract agreement that establishes the intent of a party to buy products or services is called a :**

- A. Seller initial response.
- B. Seller immediate response.
- C. Letter of intent.
- D. Letter of credit.

**48. What should not be part of a risk management plan?**

- A. Roles and responsibilities for handling risks.
- B. Timing of risk management activities.
- C. The managerial approach towards risk.
- D. Individual risks.

**49. A project manager performs Earned Value Analysis and finds the following results:  
EV: 250,000; PV: 200,000; AC 275,000  
BAC is 500,000.  
What is right?**

- A. EAC = 400,000.
- B. EAC = 550,000.
- C. BTC = 400,000.
- D. ETC = 75,000.

**50. The construction of a residential home will cost a certain amount per square foot of living space. This is an example of what type of estimating?**

- A. Analogous estimating.
- B. Bottom-up estimating.
- C. Top-down estimating.
- D. Parametric modeling.

**51. Which of the following should not be reason for “rebaselining” in a project?**

- A. Scope changes.
- B. Cost variances.
- C. Major schedule changes.
- D. New information indicating that the basis for the original project cost estimates was incorrect.

**52. When a change control system’s provision for changes without formal review in case of emergency is being utilized :**

- A. Changes can be simply applied without further managerial activities if they help solving the problem.
- B. Changes must still be documented and captured so that they do not cause problems later in the project.
- C. A new change control board (CCB) should be established.
- D. The project baseline must be changed as well.

**53. Which of the following is generally not regarded to be a motivator according to Frederick Herzberg?**

- A. Working conditions and interpersonal relations.
- B. Responsibility for enlarged task.
- C. Interest in the task.
- D. Recognition for achievement.

**54. Companies and institutions commonly hire leaders with :**

- A. A strong position in negotiating.
- B. Experience in tricking business partners.
- C. Integrity and expertise.
- D. A strong link to local traditions.

**55. You are the project manager and have contracted with a service provider to develop a complicated software solution. This software is necessary to control the machinery equipment which your project team will develop. It is a lump-sum contract with additional incentives for meeting predefined schedule targets. The payment schedule and incentives are as follows:**

1. 10% with order
2. 20% after submission of prototype (+ 5% if delivered one week early)
3. 50% after product delivery (+ 5 % if delivered one week early)
4. 20% after final product acceptance (+ 5 % if delivered one week early)

**Yesterday the company submitted the prototype to your project team. This was 2 weeks after the scheduled delivery date and 3 weeks after the date necessary to qualify for the incentive payment.**

**This morning, the manager of the contractor approached you to ask for changes to the payment schedule. They found that their initial work and costs were much higher than originally expected and they now wish to increase the second payment to 30% and reduce the final payment to 10%.**

**During the discussion you got the impression that the company is in serious financial trouble.**

**Which of the following might be the most appropriate initial step?**

- A. Offer to pay 25% now and to reduce the final payment down to 15%.
- B. Point out that the contractor is not in a position to demand a change to the contract.
- C. Demand an urgent meeting with the seller.
- D. Revisit the planning processes of project risk management to understand the upcoming risks in conjunction with the seller before any further decisions are made.

**56. A review of management processes and the associated documentation is commonly called :**

- A. Audit.
- B. Inspection.
- C. Testing and measuring.
- D. Screening.

**57. Which of the following is true in regard to the Code of Accounts?**

- A. It allows one to easily identify the breakdown level of the item in the resource structure.
- B. It describes the coding structure used by the performing organization to report financial information in its general ledger.
- C. It is the collection of unique identifiers generally assigned to WBS items.

D. It defines ethical behavior in the project and the responsibilities to the customer and the profession.

**58. You are a member of your company's project office. The company is running many concurrent projects; most of them share a resource pool. Understanding how resources are utilized across projects is seen as being essential to cost effectiveness and profitability.**

**You recently received an inquiry to assess the benefits of using project management software to manage the company's project portfolio.**

**Which of the following is true?**

- A. Project management software has the capability to help organize resource pools.
- B. Project management software will dramatically simplify the task of leveling resources across projects with different project management teams.
- C. Supporting project portfolio management is not the project office's business.
- D. Evaluating project management software is not the project office's business.

**59. What are SMART objectives?**

- A. Objectives specified with far more detail than necessary for a successful project.
- B. Easily achievable objectives.
- C. Objectives that should be achieved in order to attain formal recognition.
- D. Objectives that have specific, measurable, assignable, realistic and time-related specifications.

**60. You have been assigned to a new project and have finished the scope statement. You and your team are now going to create a Work Breakdown Structure. You are spending a lot of time discussing how to create a completely decomposed Work Breakdown Structure.**

**Which of the following is not relevant to this discussion?**

- A. Status/completion is measurable.
- B. Time/cost is easily estimated.
- C. Start/end events are clearly defined.
- D. Resource availability can be reliably foreseen.

**61. A project manager performs Earned Value Analysis and finds the following results: AC: 220,000, PV: 250,000, EV: 220,000**

- A.  $CV = 0$ .
- B.  $CV = 30,000$ .
- C.  $CV = -30,000$ .
- D.  $CV = 1$ .

**62. During a company event, you had the opportunity to talk to a colleague project manager. He told you that in his current project actual costs are 15% under cumulated costs scheduled for today.**

**What do you think?**

- A. The information available is not sufficient to assess project performance.
- B. The project will probably be completed with total costs remaining under budget.

- C. A significant cost increase during the further course of the project will probably bring the costs back to baseline level.
- D. Original cost planning must have been poor to allow this variance.

**63. Which is true regarding projects?**

- A. A project is a unique service undertaken to create a temporary product.
- B. A project is a unique endeavor undertaken to create a temporary service.
- C. A project is a temporary endeavor undertaken to create a unique product or service.
- D. A project is a temporary product undertaken to create a unique endeavor or service.

**64. Which of the following statements describes the relationship between project phases and the project life cycle?**

- A. The project lifecycle contains the iterative incremental elements inside a project phase.
- B. Collectively, the project phases are known as the project life cycle.
- C. The project lifecycle is regarded as a sequence of project activities while phases are defined to control the overlapping of activities.
- D. The project lifecycle contains the repetitive elements inside a project phase

**65. A project management team discusses what scope means in a project. All of the following statements are true except :**

- A. The processes, tools, and techniques used by project scope management are mostly depending on the application area.
- B. Product scope includes features and functions that are to be included in a product or services.
- C. Project scope includes the work that must be done in order to deliver a product with the specified features and functions.
- D. Project Scope Management includes the processes required to ensure that the project includes all the work required and only the work required.

**66. What is the S-curve in project management?**

- A. A graph that is generated if a normal curve is integrated.
- B. A graph that is to be integrated to generate a normal curve.
- C. A metaphoric description of the short term uncertainties that are present in every project.
- D. The graph that describes the typical growth of earned value during the course of the project.

**67. The output of the resource planning process is a document "resource requirements". This a description of what types of resources are required in what quantities...**

- .A...where the term resources is limited to equipment and materials.
- B. ...for each element at the lowest level of the work breakdown structure.
- C. ...where the term resources is limited to human resources.
- D. ...to be obtained solely from the performing organization.

**68. The major output document of Scope definition is the:**

- A. Hierarchically structured WBS.
- B. Flat Activity List.
- C. Narrative Scope Statement.
- D. The Project Charter for the project manager.

**69. In regards of a cost baseline all of the following is true except :**

- A. It is a time-phased budget that will be used to measure and monitor cost performance on the project.
- B. It can be easily created and updated as necessary.
- C. It is developed by summing estimated costs by period.
- D. It is usually displayed in the form of an S-curve.

**70. Which is not true in regard of RoI (Return on Investment)?**

- A. It defines the cumulated net income from an investment at a given point in time or during a defined period.
- B. It includes investment, direct and indirect costs and may include allowances for capital cost, depreciation, risk of loss, and/or inflation.
- C. It is generally stated in currency units, as a percentage or as an index figure.
- D. It is the time when cumulated net income is equal to the investment.

**71. Regarding Delphi Technique all of the following statements are true except :**

- A. It is a way to reach a consensus of experts.
- B. Experts are identified but participate anonymously while a facilitator uses a questionnaire to solicit ideas.
- C. The experts are encouraged by the facilitator to make direct contact with each other during the assessment process to create a higher number of feedback loops.
- D. The responses are submitted and are then circulated to the experts for further comment.

**72. Regarding quality and grade all of the following statements are true except :**

- A. Low quality is always a problem; low grade may not be.
- B. Grade is a category or rank given to entities having the same functional use but different requirements for quality.
- C. Quality is the totality of characteristics of an entity that bear on its ability to satisfy stated or implied needs.
- D. Quality can simply be improved through intelligent testing and examining, upgrading requires additional expenses.

**73. Network templates which contain only portions of a network are often referred to as :**

- A. Subnets or fragnets.
- B. Subprojects.
- C. Programs.
- D. WBS items.

**74. In making an investment in a project, investors require compensation for which of the following?**

- A. The risk-free rate of return plus a risk premium plus a premium for inflation.
- B. Sacrifice of immediate use of cash for consumption or other investments, possibility of inflation and risk.
- C. Payback period in years x investment x (1 + discount rate)periods.
- D. Inflation and depreciation.

**75. A summary activity in a network logic diagram is often referred to as a :**

- A. Hammock.
- B. Dangler.



C. Milestone.  
D.Subtask.

**Answers**

1. B	26. A	51. B
2. D	27. B	52. B
3. B	28. C	53. A
4. A	29. C	54. C
5. D	30. A	55. D
6. B	31. B	56. A
7. C	32. D	57. C
8. A	33. B	58. A
9. D	34. C	59. D
10. D	35. B	60. D
11. A	36. A	61. A
12. B	37. C	62. A
13. C	38. A	63. C
14. A	39. A	64. B
15. C	40. B	65. A
16. D	41. C	66. D
17. D	42. B	67. B
18. B	43. C	68. A
19. D	44. C	69. B
20. B	45. A	70. D
21. B	46. C	71. C
22. C	47. C	72. D
23. D	48. D	73. A
24. B	49. B	74. B
25. B	50. D	75. A

# Question Set 4

Total Questions: 50

**1 Project communication management includes the process required to ensure**

- A timely and appropriate generation collection and dissemination of project information
- B storage and ultimate disposition of project information
- C critical links among people, ideas and information
- D all the above

**2 Communication planning in a project determines**

- A who needs what information
- B when will they need it and how will it be given
- C key performance reports to be circulated among stake holders
- D a and b

**3 Following are some of the tools and techniques in project communication management except**

- A stakeholder analysis [1]
- B earned value analysis [2]
- C presentation techniques
- D performance reviews [3]

**4 On most of the projects the majority of communication planning is done as part of**

- A project initiation
- B project planning
- C project execution
- D a and b

**5 The results of communication planning will be reviewed and revised as needed**

- A project execution phase
- B project controlling phase
- C through out the project
- D a and b

**6 Project resources must be expanded on communication only when**

- A the information contributes to project success
- B lack of communication leads to failure of the project
- C the project stakeholders ask for information
- D a and b

**7 Information typically required to determine project communication requirements includes**

- A project organization and stakeholders responsibility relationship
- B disciplines, departments and specialties involved in the project
- C external information needs
- D all the above

**8 Communication technology and communication requirements are**

- A input to communication planning
- B outputs from communication planning
- C inputs for information distribution

D none of the above

**9 Stake holder analysis is a tool used in**

- A communication planning
- B organizational planning
- C both a and b
- D none of the above

**10 A communication management plan is a subsidiary element of overall project plan and provides**

- A description of information to be distributed including format, content and level of detail
- B production schedule showing when each type of communication will be produced
- C methods for accessing information between Scheduled communication will be produced
- D all the above

**11 Information distribution is a project management process which involves**

- A analyzing the stakeholder information needs and planning for distribution
- B making the needed information available to the project stakeholders in a timely manner
- C collecting and disseminating the project performance information
- D B and C

**12 Information distribution involves**

- A implementation of communication plan
- B responding to unexpected request for information
- C performance reporting
- D a and b

**13 Inputs to information distribution does not include**

- A project plan
- B communication management plan
- C work results
- D none of the above

**14 In communication process the sender is responsible for**

- A making the information clear and unambiguous and complete
- B confirming with the receiver that the information is properly understood
- C making sure that the information is properly received in its entirety
- D a and b

**15 In communication process the receiver is responsible for**

- A making sure that the information from the sender is properly received in its entirety and understood correctly
- B filter the non-relevant information and receive only the part he/she wants
- C analyzing the information while the communication is on to ensure that the right information is retained
- D all the above

**16 The following are the different dimensions of communication except**

- A written and oral
- B internal and external
  
- C formal and informal
- D right and wrong

**17 A foreman reports the production manager about the completion of a tool set up. This is a typical example of**

- A horizontal communication
- B formal communication
- C vertical communication
- D b and c

**18 Project notebook is a media often used to record**

- A project review meetings c[4]
- B project plans
- C to maintain personal records by the team members
- D all the above

**19 Project director gives an update to the local television network about the project. This is an example for**

- A oral communication C
- B formal communication
- C external communication
- D b and c

**20 A software developer communicates to the tester about the readiness of a component. This is an example of**

- A vertical communication B
- B horizontal communication
- C external communication
- D none of the above

**21 Performance reporting is done to provide stake holders with information about how resources are being used to achieve**

- A project objectives C
- B product objectives
- C both a and b
- D none of the above

**22 Performance reporting primarily includes**

- A status reporting D
- B progress reporting
- C forecasting
- D all the above

**23 Performance reporting generally covers information on**

- A scope and schedule
- B cost

- C quality
- D all the above

**24 Performance reporting involves \_\_\_\_\_ in order to provide stakeholders with information about how project resources are expended to achieve project objectives**

- A collecting and dissemination of project information
- B analyzing the performance information
- C recommending the corrective action
- D all the above

**25 Following are the inputs to performance reporting except**

- A project plan
- B work results
- C change requests[5]
- D other project rewards

**26 For useful performance reporting the work results should be reported**

- A most accurate way
- B more consistent way
- C more extensive
- D a and b

**27 performance review is one of the \_\_\_\_\_ of performance reporting .**

- A core process
- B output
- C input
- D tools and techniques

**28 Variance analysis involves comparing actual project results to**

- A Planned results
- B expected results
- C bench marking performance
- D a and b

**29 Earned value analysis is one of the commonly used methods of performance measurement which integrates**

- A scope and cost measures
- B scope and schedule measures
- C cost and schedule measures
- D scope, cost and schedule measures

**30 Budgeted cost of work Scheduled(BCWS) is also called as**

- A earned value
- B budget
- C actuals
- D none of the above

**31 The actual cost of work performed (ACWP) is the total of \_\_\_\_\_ incurred in accomplishing work on the activity during a given period**

- A direct cost
- B indirect cost
- C overhead cost
- D a and b

**32 A negative cost variance for a period indicates**

- A cost underrun
- B cost overrun
- C scope creep in
- D data not sufficient to predict the cost performance

**33 A positive schedule variance for a period indicates**

- A project can be completed in time
- B a delay is expected in the project execution
- C the project is ahead of schedule for the given time period
- D none of the above

**34 The value of 1.25 as cost performance index indicates**

- A there is a cost overrun during the reporting period
- B more scope changes came in during the reporting period
- C the cost is under control for the reporting period
- D we should not assume anything while reporting the performance

**35 Some of the common formats used for performance reporting are**

- A Gantt charts and tables
- B PERT charts and tables
- C S curves , histograms
- D a and c

**36 Analysis of project performance often generates \_\_\_\_\_ to some aspect of the project**

- A request for change
- B action against the lagging team
- C cost cutting measures
- D fast tracking or crashing

**37 The key output(s) from performance reporting process includes**

- A performance reports
- B change requests
- C project termination
- D a and b

**38 Budget or BCWS for the first half period is**

- A 20,000
- B 25000
- C 30000

D 40000

**39 Earned value or BCWP for the first three months is**

A 250000

B 30000

C 20000

D data insufficient to calculate the earned value for the period

**40 Actual cost or ACWP for the project in the first three month period is**

A 250000

B 30000

C 20000

D data insufficient

**41 Schedule variance for the first half period is**

A -5000

B 5000

C 20000

D data insufficient to calculate the schedule variance from the given information

**42 Cost variance for the project for the given period is**

A 5000

B 10000

C -5000

D -10000

**43 A project or phase needs a formal closure when**

A when the project objectives are met D

B when the project /phase is terminated for various reasons

C when there is no further funding is available for the project

D a and b

**44 Administrative closure for a project consists of**

A verification of project results D

B documentation of project results

C formalizing the acceptance of project product by the sponsor, client or customer

D all the above

**45 Administrative closure for a project includes**

A collection of project records D

B confirm that the results meet the final specifications

C analysis of project success and effectiveness

D all the above

**46 Administrative closure to be done**

A at the end of the project D

B at the end of each phase

C before starting a new phase



D a and b

**47 Following documents will be reviewed as a part of administration closure**

- A documentation of product of the project D
- B performance measurement documentation
- C project records
- D all of the above

**48 The outputs from administration closure includes**

- A project archives
- B formal acceptance
- C project termination
- D a and b

**49 Formal acceptance should be done through[6]**

- A verbal agreement between project sponsor and customer
- B documentation that the client has accepted the product of the project
- C documentation that the project sponsor has accepted the project results
- D b or c

**50 While archiving the project records specific attention must be paid if[7]**

- A contractual agreements are involved
- B significant procurements involving key financial records are involved
- C project are terminated
- D a and b

**ANSWERS**

1. D	11. B	21. C	31. D	41.
2. D	12. D	22. D	32 B	42.
3. C	13. D	23. D	33. C	43. D
4. B	14. D	24. D	34. C	44. D
5. C	15. C	25. C	35. D	45. D
6. D	16. D	26. D	36. A	46. D
7. D	17. D	27. D	37. D	47. D
8. A	18. C[4]	28. D	38.	48. A
9. A	19. C	29. D	39.	49. D
10. D	20. B	30. D	40.	50. D

# Question Set 5

Total Questions: 220

**1. A Project Manager is most likely to have the strongest influence in an organization that is:**

- A. Balanced Matrix
- B. Functional
- C. Projectized
- D. Strong Matrix

**2. Project Management processes are:**

- A. A series of actions bringing about a result
- B. Concerned with describing and organizing the work of the project
- C. Concerned with specifying and creating the product
- D. Broken into core and non-core processes

**3. Executing processes are concerned with:**

- A. Recognizing that a project or phase should begin
- B. Coordinating people and other resources to carry out the plan
- C. Devising and maintaining a workable method to accomplish the business need that the project was undertaken to address
- D. Ensuring that the project objectives are met by monitoring and measuring progress and taking corrective action when necessary

**4. Controlling processes are concerned with:**

- A. Coordinating people and other resources to carry out the plan
- B. Recognizing that a project or phase should begin
- C. Ensuring that the project objectives are met by monitoring and measuring progress and taking corrective action when necessary
- D. Devising and maintaining a workable scheme to accomplish the business need that the project was undertaken to address

**5. A complex project will fit best in what type of organization?**

- A. Functional
- B. Cross-functional
- C. Matrix
- D. Balanced

**6. Core planning processes:**

- A. Include scope planning, cost planning, schedule planning and performance reporting
- B. Provide a framework for the project
- C. Are used to track the progress of a project
- D. Have clear dependencies so they must be executed in essentially the same order on most Projects

**7. In a weak matrix organization, functional managers are usually responsible for:**

- A. Monitoring personnel performance
- B. Approval for changes to the project schedule
- C. Monitoring their project team member's deliverables
- D. Changes that impact their team member's participation

**8. As a Project Manager on replacing 2 miles of sewer pipe part of your job is to determine if there are changes to the scope of the project, the schedule, the budget and the technical requirements. These responsibilities are part of which process:**

- A. Executing
- B. Controlling
- C. Planning
- D. Closing

**9. You are one of four full-time project managers in an organization. You all share an administrative person. There are generally 8-10 projects per year that involve about 25% of the organization's employees, however, these employees do not report to you. Your organization can best be classified as:**

- A. Functional
- B. Strong matrix
- C. Projectized
- D. Balanced matrix

**10. During the course of a project you have motivated team members, managed conflict, performed personnel administrative functions and negotiated for more resources. These are examples of:**

- A. General Management
- B. Project Human Resource Management
- C. Project Execution
- D. A Projectized organization

**11. You have been promoted to Manager, Continuous Process Improvement. Your new position:**

- A. Is a project because the work will be performed by people
- B. Is not a project because Continuous Process Improvement will continue indefinitely
- C. Is a project because it is constrained by limited resources
- D. Is a project because improvements must be planned, executed, and controlled

**12. Which of the following is not a Project Management knowledge area?**

- A. Project Quality Management
- B. Project Procurement Management
- C. Project Configuration Management
- D. Project Risk Management

**13. In a matrix organization, which of the following is not a responsibility of the project manager?**

- A. Complete task definitions
- B. Resource requirement definitions
- C. Major timetable milestones
- D. Personnel performance measurements

**14. Of the following, which usually exhibits the slowest rate of change?**

- A. People
- B. Technology

- C. Organizations
- D. The Environment

**15. The state of being totally answerable for the satisfactory completion of a specific assignment is called:**

- A. Authority
- B. Accountability
- C. Responsibility
- D. Fiduciary

**16. During the planning phase of your current project, you prepare a detailed financial plan. For this process, you are using:**

- A. A general management skill
- B. An industry specific skill
- C. A skill that is common to general management and project management
- D. A project management skill

**17. You are responsible for the communication controls for the Genesis series of satellites.**

**Your current assignment is:**

- A. Project management
- B. Functional management
- C. Facility management
- D. Program management

**18. Which of the following knowledge areas are part of Project Closure?**

- A. Communications
- B. Scope
- C. Cost
- D. Human Resources

**19. The process of determining who needs what information, when they need it, and how it will be given to them is:**

- A. Information distribution
- B. Communications requirements
- C. Communications planning
- D. Communications management

**20. Communication planning is most tightly linked with what process:**

- A. Cost estimating
- B. Organizational planning
- C. Cost budgeting
- D. Performance reporting

**21. Which of the following is not a technology factor that may affect the project communications plan:**

- A. Immediacy of the need for the information
- B. Length of the project
- C. Expected project staffing

D. Logistics of how many individuals will be involved with the project and at what locations

**22. Where is the bulk of the project budget spent?**

- A. Scope management
- B. Production
- C. Labor and materials
- D. Project plan execution

**23. Which of the following is not a type of performance reporting:**

- A. Status reporting
- B. Progress reporting
- C. Forecasting
- D. Benchmark reporting

**24. Which tool and technique integrates scope, cost and schedule in measuring project performance?**

- A. Variance analysis
- B. Earned value
- C. Trend analysis
- D. Performance report

**25. Inputs to Administrative Closure include all of the following except:**

- A. Performance measurement documentation
- B. Other project records
- C. Documentation of the product
- D. Project archives

**26. Which equation correctly illustrates the cost variance of a project, in currency?**

- A.  $BCWP - ACWP$
- B.  $BCWP / ACWP$
- C.  $BCWP - BCWS$
- D.  $BCWP / BCWS$

**27. You are approximately 30% through your project and the sponsor wants a forecast of the final budget based on what has already been spent. You create an S curve chart display of what kind of performance report:**

- A. Earned value
- B. Trend analysis
- C. Variance analysis
- D. Cost distribution curve

**28. At 40% through your project you have a BCWS of \$68,000 and a BCWP of \$62,000. Your project is:**

- A. Ahead of schedule
- B. Behind schedule
- C. A positive cost variance
- D. A negative cost variance

**29. In preparing for a team meeting you want to let the team know how they are doing on the project schedule over all. You calculate the task achievements as follows: planning has a BCWS of \$20,000 and a BCWP of \$25,000, testing has a BCWS of \$17,000 and BCWP of \$15,000, and design has a BCWS of \$34,000 and a BCWP of \$42,000. As a whole your project is:**

- A. 15% ahead of schedule
- B. 15% behind schedule
- C. 15% ahead of schedule, but over budget
- D. 15% behind schedule and budget

**30. In order to let the project sponsor know the percentage of cost variance of your project, you calculate:**

- A. BCWP-BCWS
- B. BCWP/BCWS
- C. BCWP/ACWP
- D. BCWP-ACWP

**31. As the project manager, you chair a weekly exchange of information meeting among team leaders. This is an example of communication that is:**

- A. Internal, formal, and horizontal
- B. External, informal, and vertical
- C. Oral, internal, and informal
- D. Oral, external, and formal

**32. Manual filing systems, electronic text databases, and project management software that allow team members to share information about the project are examples of:**

- A. A communication management plan
- B. An information retrieval system
- C. An information distribution system
- D. A project management information system

**33. During project team formation and during the early phases of a project, the most common source of conflict within the project team is likely to be:**

- A. Schedules
- B. Priorities
- C. Technical opinions
- D. Cost

**34. During execution of a project, the most common source of conflict within the project team is likely to be:**

- A. Schedules
- B. Priorities
- C. Technical opinions
- D. Cost

**35. Of the following, which conflict resolution strategy is likely to yield the most productive results?**

- A. Withdrawing

- B. Forcing
- C. Compromising
- D. Collaborating

**36. During execution of your project plan, you discover that a task team is unaware that deliverables from another task will be late, holding up their own progress. As a result you should:**

- A. Revise the project schedule
- B. Revise the project budget
- C. Revise the communication plan
- D. Revise the quality plan

**37. In assigning your new project to you, the program manager tells you that this is a very high visibility project and that executive management will be following your progress very closely with particular interest in use of the pyrotechnics that will be involved. This information is valuable input for your:**

- A. Risk management plan
- B. Communication management plan
- C. Scope management plan
- D. Technical specification

**38. The Communication Management Plan provides all of the following except:**

- A. A collection and filing structure for project information
- B. Communication barriers
- C. A distribution structure for project information
- D. Project communication schedules

**39. Life-Cycle Costing is:**

- A. The concept of including acquisition, operating, and disposal costs when evaluating various alternatives
- B. Considers the information needs of the stakeholders
- C. The term used on smaller projects when all the components of Project Cost Management are viewed as a single process
- D. Used to estimate the life of the product

**40. The two phases used in Project Cost Management are:**

- A. Planning and executing
- B. Executing and controlling
- C. Planning and close out
- D. Controlling and planning

**41. Determining what resources and quantities will be used for the project is part of:**

- A. Cost budgeting
- B. Cost estimating
- C. Resource planning
- D. Cost control

**42. The Scope Statement is used in which process**

- A. Resource Planning



- B. Cost Estimating
- C. Cost Control
- D. Cost Planning

**43. Inputs into Resource Planning include:**

- A. Staffing requirements, procurement policies, Work Breakdown Structure
- B. Work Breakdown Structure, Scope Statement, historical information, resource pool description, organizational policies
- C. Work Breakdown Structure, Scope definition, resource pool description
- D. Expert judgement, historical information, Work Breakdown Structure, Scope Statement.

**44. The term resource planning refers to:**

- A. Labor
- B. Capital equipment
- C. Materials
- D. All of the above

**45. Cost estimating includes all of the following except:**

- A. Identifying and considering various costing alternatives
- B. Pricing strategy
- C. Developing an assessment of the likely quantitative result
- D. Baselineing

**46. Cost Estimating is most closely linked with which other process?**

- A. Procurement, Risk
- B. Scope, Procurement
- C. Time, Scope
- D. Risk, Time, Integration

**47. Parametric Modeling and Analogous Estimating are used in what process:**

- A. Cost Control Tools and Techniques
- B. Cost Estimating Tools and Techniques
- C. Risk Analysis Tools and Techniques
- D. Risk Analysis Outputs

**48. You are building the budget for your project. You don't have detailed requirements for the project yet. However, a fellow project manager completed a similar project a year ago, and has his budget assumptions and final costs documented. You decide to use this information as the basis of your cost estimating. This is called:**

- A. Analogous estimating
- B. Parametric modeling
- C. Bottom-up estimating
- D. Spreadsheets

**49. As the Project Cost Engineer on a high rise development you are preparing your budget. You have developed a template, based on similar projects that can be used for buildings with 3-25 stories. It breaks out cost per square foot for plumbing, wiring, HVAC, dry wall, floors etc. This type of cost estimating is called:**

- A. Analogous estimating
- B. Parametric modeling
- C. Bottom up estimating
- D. Spreadsheets

**50. Before you begin the cost budgeting process for building a new school you should make sure your cost engineer has given you:**

- A. Cost estimates, chart of accounts, cost baseline
- B. Supporting detail, estimate at completion
- C. Cost estimates and supporting detail,
- D. Cost management plan, cost change control plan, cost baseline

**51. You are the program manager for a new commercial jet. A new robotic technology has just emerged that will improve the accuracy of machining connectors to within 3 microns. This technology will also result in a savings from the previous method. As a result of this, all program managers are being asked to come up with a new estimate at completion for their in-process projects. The most accurate method to develop the new estimate is to:**

- A. Complete and earned value analysis to determine the cost index
- B. Take the actuals to date and add the remaining budget modified by a performance factor
- C. Take the actuals to date and develop a new estimate for all remaining work
- D. Add the remaining budget to what has already been spent

**52. Which of the following is not an input to cost budgeting?**

- A. Cost estimates
- B. Work breakdown schedule
- C. Project schedule
- D. Risk management plan

**53. Which of the following is not an input to the cost control process?**

- A. Performance measurement
- B. Cost baseline
- C. Performance reports
- D. Change requests

**54. Which of the following is not a tool or technique for cost control?**

- A. Cost change control system
- B. Revised cost estimates
- C. Performance measurement
- D. Additional planning

**55. Which of the following is not an output of the cost control process?**

- A. Revised cost estimates
- B. Budget updates
- C. Workarounds
- D. Estimate at completion

**56. As project manager, which of the following activities most deserves your immediate attention?**

- A. ACWP = \$3,000 and BCWP = \$2,900

- B. BCWS = \$3,000 and BCWP = \$2,900
- C. ACWP = \$3,000 and BCWP = \$3,200
- D. BCWP = \$3,000 and ACWP = \$2,400

**57. Your project will require use of a high pressure punch press for four months. You can rent the press for \$10,000 payable at the end of each month. You may also choose to make a lump sum payment on the day the press is delivered. Using a discount rate of 1% per month, the maximum lump sum payment you should choose to make is:**

- A. \$38,000
- B. \$38,500
- C. \$39,000
- D. \$39,250

**58. A work package, scheduled for one year from today, will cost \$114,000 at that time. It can be done now at a reduced cost. Using a 12% discount rate, the maximum cost you should authorize for doing the work now is:**

- A. 100,320
- B. 101,750
- C. 102,500
- D. 103,000

**59. At what stage in the project life cycle would costs be the lowest?**

- A. Concept
- B. Development
- C. Implementation
- D. Close out

**60. At what point in the project would stakeholders have the most ability to influence the final outputs of the project product?**

- A. Implementation
- B. Development
- C. Concept
- D. Close out

**61. At what point in the project is there the most risk of project failure?**

- A. Close out
- B. Development
- C. Implementation
- D. Concept

**62. Phase exits, kill points and stage gates are used for what purpose?**

- A. Planning the next stage in the project
- B. Communicating milestones to stakeholders
- C. Determining if the project should continue into the next phase
- D. Measuring earned value

**63. A complex project will fit best in what type of organization?**

- A. Functional
- B. Cross-functional

- C. Matrix
- D. Balanced

**64. Which knowledge area involves organizational theory as a tool/technique?**

- A. Communications Management
- B. Cost Management
- C. Risk Management
- D. Human Resource Management

**65. Human Resource Management is tightly linked to which other knowledge area?**

- A. Cost Management
- B. Risk Management
- C. Communications Management
- D. Time Management

**66. Which of the following is not considered a constraint in Organizational Planning?**

- A. Recruitment practices
- B. Collective bargaining agreements
- C. Preferences of the project management team
- D. Expected staff assignments

**67. Outputs from Organizational Planning include all of the following except:**

- A. Staffing Management Plan
- B. Organization Chart
- C. Project Team Directory
- D. Role and Responsibility Matrix

**68. Inputs to Staff Acquisition include all of the following except:**

- A. Staffing Management Plan
- B. Resource Histogram
- C. Staffing pool description
- D. Recruitment practices

**69. Which of the following is not an input to Team Development?**

- A. Project Plan
- B. Staffing Management Plan
- C. Performance Reports
- D. Reward and recognition systems

**70. Cost Budgeting is defined as:**

- A. The estimated total cost of the project when done
- B. Allocating the cost estimates to the individual work items
- C. Estimating the cost of the resources needed to complete project activities
- D. The sum of the approved cost estimates

**71. The cost baseline is an output of what process?**

- A. Cost planning
- B. Cost estimating

- C. Cost budgeting
- D. Cost control

**72. The time phased budget that is used to measure and monitor cost performance is:**

- A. The project budget
- B. The cost budget
- C. The cost baseline
- D. The cost estimate

**73. Which knowledge area does not provide input into cost budgeting?**

- A. Time
- B. Quality
- C. Scope
- D. Cost

**74. At the beginning of a project you are asked for an order of magnitude budget. What type of budget estimate are you likely to use?**

- A. Analogous
- B. Parametric modeling
- C. Bottom-up
- D. Detailed

**75. The major process groups of project management are:**

- A. Planning, control, initiation, closing, execution
- B. Monitoring, start up, execution, close out, planning
- C. Conceptual, demonstration, validation, development, production
- D. Feasibility, planning, design, production, close out

**76. Project Stakeholder are:**

- A. Anybody who is actively working on the project
- B. Individuals and organizations who are actively involved in the project, or whose interests may be positively or negatively affected as a result of project execution or successful project completion.
- C. The plan sponsor, project manager, team members, client
- D. The customer

**77. The Project Life Cycle:**

- A. Defines the Product Life Cycle
- B. Has distinct phases that are the same for all projects
- C. Defines what work should be done in each phase
- D. Has gates that must be completed before moving onto the next phase of the project

**78. In planning your resources for a new building project you are working with an engineering firm, a construction management firm and a general contractor. You are mindful that the general contractor will have to manage several sub-contractors over the next 9 months and that the structural and civil engineers will need to communicate frequently. You must select the best reporting relationships among the parties. This is an example of:**

- A. Staffing requirements

- B. Communication planning
- C. Project interface planning
- D. Staffing management plan

**79. As a Project Manager you have just completed a 9-month project where you had accountability for the schedule, budget, team members and quality of the end product. You are up for your annual review and expect a bonus based on your performance. What is not an area that you would expect to be rewarded for?**

- A. Meeting 95% of your milestones on time
- B. Finding a way to use Jr. Level Engineers to complete tasks that Sr. Level Engineers were scheduled for
- C. Inspiring the team to work overtime due to an oversight in the scope plan
- D. Developing project management skills in a Jr. Project Manager who was assigned to the Project

**80. You have inherited a project that is in trouble. The team members are spread out in 5 states, the schedule is behind by 20%, the former project manager alienated the team and there is no communication plan. The first issue you must work on is building a cohesive team to get the project back on track.**

**Which of the following is not a technique that you would use in team development:**

- A. Flying everyone in for a team meeting
- B. Provide training for those areas that are suffering the most
- C. Establish a reward system that will pay out based on getting the critical path back within the established time frame
- D. Use performance reports to get feedback on individual performance

**81. You have had your Scope Definition approved and are working on your budget and schedule. In order to estimate the labor costs and the schedule you need to know who your team members are, and what their skill level is. You consult your staffing management plan and your staffing pool description. By following the recruitment practices and working with the procurement department to negotiate for various external contractors you are able to complete a project directory. All these are steps in what process?**

- A. Organizational Planning
- B. Resource Planning
- C. Team Development
- D. Staff Acquisition

**82. The primary communication skills you will use in working with members of your project team will be:**

- A. Problem solving
- B. Negotiating
- C. Team building
- D. Public relations

**83. The primary communication skills you will use in working with your project sponsor will be:**

- A. Problem solving
- B. Negotiating
- C. Team building
- D. Public relations

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- A. Problem solving
- B. Negotiating
- C. Team building
- D. Public relations

**84. The primary communication skills you will use in working with functional managers will be:**

- A. Problem solving
- B. Negotiating
- C. Team building
- D. Public relations

**85. The primary communication skills you will use in working with external stakeholders will be:**

- A. Problem solving
- B. Negotiating
- C. Team building
- D. Public relations

**86. According to A. H. Maslow, people's needs must be satisfied according to a certain hierarchy. The order in which needs must be satisfied is:**

- A. Self-actualization, esteem, social, safety, physiological
- B. Physiological, self-actualization, social, esteem, safety
- C. Physiological, safety, social, esteem, self-actualization
- D. Self-actualization, social, physiological, safety, esteem

**87. According to C. P. Alderfer, people's needs fall into three broad categories. Which of the following is not one of Alderfer's categories?**

- A. Existence needs
- B. Identity needs
- C. Relatedness needs
- D. Growth needs

**88. Your project plan requires personnel to wear a Radiation Monitor counter at all times while they are within the protected area surrounding a nuclear reactor. This requirement arises from your concern for:**

- A. Quality assurance reporting requirements
- B. Personnel safety needs
- C. Stakeholder reporting requirements
- D. Personnel physiological needs

**89. A staffing management plan includes all of the following except:**

- A. Determining how to bring team members onto the project
- B. A resource histogram
- C. Determining how to release team members from the project
- D. Documentation on who has the authority to make decisions

**90. Which of the following is not a consideration in selecting project staff members?**

- A. Type of organization
- B. Personal characteristics
- C. Previous experience
- D. Personal interests

**91. Which of the following is not a method for acquiring team members?**

- A. Escalating issues to the project sponsor



- B. Negotiating with functional managers
- C. Procuring outside resources
- D. Negotiating with other project teams

**92. All of the following are components of Project Integration Management except:**

- A. Initiation
- B. Project Plan Development
- C. Project Plan Execution
- D. Overall Change Control

**93. Which of the following is not an example of project integration management:**

- A. At project closure you transition the project operations into ongoing operations.
- B. Upon identifying a risk to the project you perform a risk analysis to ascertain the likelihood of the risk occurring and the impact on the project.
- C. Insuring that the product scope and the project scope are consistent.
- D. A change in the project scope necessitates changes to the schedule and the budget.

**94. The project plan is used to do all of the following except:**

- A. Document project planning assumptions
- B. Define the content of management reviews
- C. Identify risks that arise during project execution
- D. Provide a baseline for progress measurement and project control

**95. Which of the following is not an input into Project Plan Development:**

- A. Organizational policies
- B. Constraints and assumptions
- C. Historical information
- D. Project Planning Methodology

**96. Which of the following is not true about project planning methodology?**

- A. It is an input into the project plan development
- B. It is a structured approach used to guide the project team during the development of the project plan
- C. It may include complex simulations to identify schedule risks
- D. It may include project planning templates and forms

**97. A project plan generally includes the following:**

- A. Cost baselines, schedule baselines, assumptions, flow charts
- B. Project Charter, cost estimates, project schedule, required staff, key risks
- C. Scope management plan, work arounds, schedule management plan, budget
- D. Scope statement, product description, control charts, project charter

**98. All of the following are true about Project Plan Execution except:**

- A. The majority of the budget will be expended in performing this process
- B. This is where the product of the project is created
- C. It involves managing change to the original project plan
- D. It requires PM skills as well as general management skills

**99. Inputs to overall change control include:**

- A. Project plan, change control system, performance measurement
- B. Performance reports, performance measurement, change requests
- C. Change requests, performance measurement, project plan
- D. Project plan, performance reports, change requests

**100. Configuration Management, Performance Measurement and Project Management Information Systems are all:**

- A. Tools and techniques used in overall change control
- B. Tools and techniques used in performance reporting
- C. Examples of how IS systems can impact project management
- D. Different ways of explaining the performance reporting

**101. As a project manager on a software development project you are accountable for maintaining the integrity of the performance measurement baselines. This includes making sure that approved changes to the schedule and cost are reflected in the project plan. However, you also make sure that only changes to the project scope affect the performance measurement baselines. This is an example of:**

- A. Scope change control
- B. Overall change control
- C. Performance measurement
- D. Configuration management

**102. You are a PM at a pharmaceutical company. You are the project manager in charge of the development of a new drug that will reduce the after effects of chemo-therapy. What is an assumption that you might have as part of your project plan?**

- A. The budget is \$7,000,000
- B. In order to meet the schedule you will have to fast track several of the processes
- C. There will not be a cure for cancer in the next 5 years
- D. You can't move to human testing until animal testing is complete

**103. You are considering outsourcing some of the work on your project. Doing this will reduce the amount of time it takes to complete the milestone, and it will increase the budget. You should document your decision and the reasons for it in:**

- A. The schedule baseline
- B. The cost baseline
- C. The change management plan
- D. The project plan

**104. You have just been given a new project and are creating the project plan. You are reviewing team member planning assumptions, information from similar projects and the identified constraints and assumptions. What tools will you utilize in order to complete the project plan?**

- A. Project planning methodology and project management information system
- B. Project management skills and general management skills
- C. Stakeholder skills and knowledge and organizational policies
- D. Other planning outputs and project planning methodology

**105. At appropriate times during your project, you issue task orders that describe what work is to be done, who is to do it, and when it is to be done. This is an example of:**

- A. Project scheduling
- B. A work authorization system
- C. Project planning
- D. Overall change control

**106. The organizational design of a project is critical to its successful management. Which of the following is not one of the three basic factors influencing decisions about the design of a project organization ?**

- A. Environmental forces
- B. Strategic choices
- C. Schedule constraints
- D. Technological factors

**107. The degree to which written policies, procedures, rules, and job descriptions guide the behavior of personnel involved in projects is called:**

- A. Centralization
- B. Complexity
- C. Specialization
- D. Formalization

**108. Which of the following is not an organizational policy consideration in formulating a project plan?**

- A. Regulatory compliance
- B. Quality management
- C. Personnel administration
- D. Financial controls

**109. Which of the following activities is not a part of administrative closure?**

- A. Generating information
- B. Filtering information
- C. Gathering information
- D. Disseminating information

**110. Which of the following is not a tool or technique for overall change control?**

- A. Performance measurement
- B. Configuration management
- C. Work Authorization system
- D. Project management information system

**111. Inputs to overall change control include all of the following except:**

- A. The project plan
- B. Performance reports
- C. Change requests
- D. Corrective action

**112. Where is the bulk of the project budget spent?**

- A. Scope management
- B. Production
- C. Labor and materials

D. Project plan execution

**113. A work authorization system is:**

- A. The control mechanism used to track cost packages
- B. A variation of the work breakdown structure
- C. A formal procedure for sanctioning project work
- D. A policy and procedure that sets the days and hours for the project schedule

**114. Which is not a tool or technique for project plan execution**

- A. General management skills
- B. Work authorization system
- C. Work breakdown structure
- D. Product skills and knowledge

**115. All of the following are true of Administrative Closure except:**

- A. It includes verifying and documenting project results
- B. It includes collection of project records
- C. It includes analysis of project success and effectiveness
- D. It should be delayed until project completion

**116. Meredith & Mantel describe four varieties of project termination which include : all of the following except by Extinction**

- A. Termination
- B. Termination by Subtraction
- C. Termination by Integration
- D. Termination by Starvation

**117. Your new product development project has resulted in a highly successful new product. The property, equipment, materials, and personnel of your project are now being integrated into the functional organization. Your project is being terminated by:**

- A. Extinction
- B. Addition
- C. Integration
- D. Starvation

**118. Your project multiple functions. If this decision is made, your project will be terminated by: to create a new time tracking and accounting system has been put on hold pending a decision to bring in a third party human resources system that will handle**

- A. Extinction
- B. Subtraction
- C. Integration
- D. Starvation

**119. As the most recent in a succession of project managers assigned to the project, you discover that one of your projects has no people assigned to it, no deliverables scheduled for development, and an extremely small budget. Nevertheless, you are expected to report status for the project periodically. This project has, in fact, experienced termination by:**

- A. Extinction

- B. Addition
- C. Integration
- D. Starvation

**120. Your new product development project has resulted in a highly successful new product. You find that you are being promoted to lead a new business unit to produce and market the product. Your project is being terminated by:**

- A. Extinction
- B. Addition
- C. Integration
- D. Starvation

**121. Valid reasons for considering termination of a project include all of the following except:**

- A. The scope of the project is found to be inconsistent with the organization's financial strength
- B. Organizational support is being spread among too many projects
- C. Scope change requests are numerous and continuous
- D. The project product has become available as a commercial off the shelf product

**122. Project termination responsibilities include all of the following except:**

- A. Ensure the completion of work
- B. Notify the client of completion and ensure delivery of the product
- C. Ensure that documentation is complete
- D. Ensure that the project baseline is updated to reflect actual project performance

**123. Project termination responsibilities include all of the following except:**

- A. Modify project quality standards to reflect those actually implemented
- B. Oversee preparation of final invoices for the client
- C. Redistribute personnel, materials, equipment, and other resources
- D. Record and archive all legal project documents

**124. Project termination responsibilities include all of the following except:**

- A. Archive appropriate project documentation
- B. Provide project personnel with favorable performance appraisals to ensure their future cooperation
- C. Ensure the fulfillment of product support requirements
- D. Oversee the closing of project accounting

**125. Which equation correctly illustrates the cost variance of a project, in dollars?**

- A.  $BCWP - ACWP$
- B.  $BCWP / ACWP$
- C.  $BCWP - BCWS$
- D.  $BCWP / BCWS$

**126. The "To Complete Performance Index" (TCPI) is calculated by:**

- A. Subtracting the actual costs to date from the estimate at completion
- B. Dividing the budgeted cost of the remaining work by the difference between the estimate at completion and actual costs to date
- C. Multiplying the estimate at completion by the cumulative cost performance index

D. Adding the estimate at completion to the actual costs to date and multiplying by the cumulative cost performance index

**127. At 40% through your project you have a BCWS of \$68,000 and a BCWP of \$62,000. Your project is:**

- A. Ahead of schedule
- B. Behind schedule
- C. A positive cost variance
- D. A negative cost variance

**128. Under what knowledge area is the primary process area for carrying out the work of the project?**

- A. Scope
- B. Integration
- C. Schedule
- D. Framework

**129. Which of the following is not true about Project Plan Development?**

- A. Wait until all the other planning outputs are complete, then compile them into one final project plan
- B. It is used to document project planning assumptions
- C. It is an iterative process
- D. It involves making trade offs between competing objectives and alternatives

**130. Coordinating a schedule, organizational policies, staffing plans and historical information about risk is an example of:**

- A. Overall change control
- B. Risk management
- C. Communication planning
- D. Project plan development

**131. A factor that limits the project team's options, such as a prescribed due date, is called a:**

- A. Risk
- B. Constraint
- C. Assumption
- D. Hassle

**132. Those areas that a project manager considers to be true, real or certain are called:**

- A. Constraints
- B. Risks
- C. Assumptions
- D. Planning levers

**133. You are a new project manager at a utility. In working on your first project you are referring to the project templates, company glossary, ABT Workbench Manual, and archives from previous projects. These tools are helping you with:**

- A. Project plan coordination
- B. Project plan execution
- C. Project planning methodology

D. The 'soft' tools of project management

**134. As a project manager on a major construction project you spend some time informally interviewing contractors, team members, engineers and even some of the city permit people. You want to make sure you have all your bases covered in the planning process. This is an example of:**

- A. Information gathering and distribution
- B. Risk analysis
- C. Developing a project management information system
- D. Gathering stakeholder skills and knowledge

**135. Project files, project software, and shared folders are examples of:**

- A. Project management information system
- B. Communication management
- C. Communication planning
- D. Risk management tools

**136. A collection of documents that will change over time as more information becomes available is called:**

- A. A project baseline
- B. A project plan
- C. A project management information system
- D. A management control

**137. A management control that rarely changes, and then only in response to defined criteria, such as a change in scope is called a:**

- A. Project plan
- B. Change management plan
- C. Project baseline
- D. A subsidiary management plan

**138. Which of the following is not an appropriate reason to provide members of your project team with additional training?**

- A. Feedback from other project managers about team performance
- B. Reports about performance that do not meet project requirements
- C. Excessive overtime requirements in order to meet the project schedule
- D. New technologies involved in the scope of the project

**139. Team development is undertaken to improve performance. Which of the following is not a way in which team development improves team performance?**

- A. Improvement of individual skills
- B. Development of technical breakthroughs
- C. Improvement of team behaviors
- D. Development of better ways of doing work

**140. As project manager, you prepare written input to the performance appraisals of functional personnel assigned to your project. This activity is a part of which human resources process?**

- A. Performance reporting
- B. Staffing pool description
- C. Team development
- D. Organizational planning

**141. In taking over a failing project you hold a status meeting and find that the IS department and the business operations representatives are avoiding each other. You realize that before moving on you need to do some team building. The type of behavior that the IS and operations people are demonstrating is:**

- A. Problem solving
- B. Withdrawal
- C. Forcing
- D. Smoothing

**142. In taking over a failing project you hold a status meeting where the marketing person and the finance person get into a heated discussion, each trying to push their viewpoint on the other without listening. You realize that before moving on you need to do some conflict resolution.**

**The type of behavior that the marketing and finance people are demonstrating is:**

- A. Problem solving
- B. Withdrawal
- C. Forcing
- D. Smoothing

**143. Which of the following models of conflict resolution allows a cooling off period, but seldom resolves the issue in the long term?**

- A. Problem solving
- B. Withdrawal
- C. Forcing
- D. Smoothing

**144. Which method of conflict resolution tends to increase conflict rather than resolve it?**

- A. Problem solving
- B. Compromising
- C. Smoothing
- D. Forcing

**145. Which method of conflict resolution tends to be the most effective in resolving conflicts?**

- A. Confrontation
- B. Withdrawal
- C. Forcing
- D. Organizational development

**146. Which conflict resolution style emphasizes agreement rather than focusing on areas of disagreement?**

- A. Problem solving
- B. Withdrawal
- C. Forcing
- D. Smoothing



**147. All of the following are common uses for a "War Room" except:**

- A. A repository for project artifacts
- B. A place where project team members can discuss their common problems
- C. A location where the up-to-the-minute wall charts of technical performance are housed
- D. The project wrap up party

**148. Stock options, assigned parking spaces and a company car are all examples of what?**

- A. Perks associated with functional management
- B. Non-monetary rewards
- C. Leverage to encourage better performance
- D. Ways to justify paying a lower salary

**149. Project Procurement Management has the following processes:**

- A. Solicitation planning, source selection, contract close-out
- B. Procurement planning, solicitation planning, contract award
- C. Contract solicitation, contract award, contract administration
- D. Contract award, contract administration, contract close-out

**150. A complex project will fit best in what type of organization?**

- A. Functional
- B. Cross-functional
- C. Matrix
- D. Balanced

**152. Which of the following is not an input into procurement planning?**

- A. Scope statement
- B. Vendor lists
- C. Market conditions
- D. Constraints

**153. Which of the following is not an input into solicitation planning**

- A. Procurement documents
- B. Procurement management plan
- C. Statement of work
- D. Project Schedule

**154. A make or buy analysis is used as:**

- A. An input to solicitation planning
- B. A tool for solicitation planning
- C. An input for solicitation
- D. A technique for procurement planning

**155. What document contains the following: type of contract to be used, vendor management protocols, procurement coordination?**

- A. Statement of Work
- B. Procurement management plan
- C. Solicitation package
- D. Procurement documents

**156. Obtaining information from prospective sellers on how project needs can be met is part of:**

- A. Solicitation planning
- B. Procurement planning
- C. Solicitation
- D. Contracting

**157. Techniques for Source Selection include all of the following except:**

- A. Weighting system
- B. Screening system
- C. Independent estimates
- D. Bidder Conferences

**158. Contract administration integrates many of the other knowledge areas. All of the following are part of contract administration except:**

- A. Performance measurement
- B. Performance reporting
- C. Quality control
- D. Change control

**159. Which of the following is not a typical reason for authorizing a project:**

- A. Market demand
- B. Keeping the project manager busy
- C. Business need
- D. Technological advance

**160. Outputs from the Initiation process include:**

- A. Project Manager identified, Project Charter, Product Description
- B. Constraints, Assumptions, Product Description
- C. Project Charter, constraints, assumptions
- D. Scope Statement, Project Manager identified, Product Description

**161. All of the following are generally true about a Project Charter except:**

- A. It includes the product description
- B. It includes the business need that the project was undertaken to address
- C. It is issued by a manager external to the project
- D. It includes a cost benefit analysis

**162. The Scope Statement incorporates all of the following except:**

- A. Project justification
- B. The basis for future project decisions
- C. A list of significant project risks
- D. Project objectives and deliverables '

**163. Scope definition is important to the success of the project except:**

- A. Subdividing the project into smaller components improves the accuracy of cost, time and resource estimates.

- B. When there is poor scope definition, final project costs can be expected to be higher because of the inevitable changes.
- C. It serves as the basis for future project decisions.
- D. It defines a baseline for performance measurement and control.

**164. Product documentation is input to what process**

- A. Scope Verification
- B. Performance Reporting
- C. Risk Analysis
- D. Scope Planning

**165. You are about 30% through a project. In reviewing the product requirements you realize that one of the product functionalities has been omitted in the project plan. At this point you:**

- A. Update the project schedule and budget to reflect the necessary changes.
- B. Submit a change request to the change control board and re-baseline the project.
- C. Negotiate with the client for a new delivery date based on the revised schedule.
- D. Communicate the error with Sr. Management so they aren't surprised at a later date.

**166. During the schedule development process the Project Manager may have to go through several iterations of the schedule before establishing the schedule baseline. Which of the following are tools and techniques that may be used during this process?**

- A. Critical Path Method, GERT, Resource Requirements
- B. Resource Leveling Heuristics, Mathematical Analysis, Calendars
- C. Duration compression, Resource Leveling Heuristics, PERT
- D. GERT, PERT, Leads and Lags

**167. Your company has just received approval to purchase a company that offers complementary services to your company. They have assigned you as the project manager for the acquisition. The CFO has handed you a Project Charter that describes how this acquisition will improve penetration and open up a new distribution channel for your company's products. She has also given you authority to apply organizational resources to project activities. You are anxious and excited as you head back to your office to organize your thoughts and begin the planning process. Using the Project Charter you define the deliverables and the objectives. The output from this process is the:**

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

**168. Scoring models, comparative approaches and benefit contribution are all part of:**

- A. Constrained optimization models for selecting a project
- B. Benefit measurement models for selecting a project
- C. Quality measurement techniques
- D. Information distribution tools

**169. Your company has just received approval to purchase a company that offers complementary services to your company. As PM on the acquisition, you develop a deliverable-oriented grouping of project elements that organizes and defines the total scope of the project. This output is called:**

- A. Work Breakdown Structure
- B. Scope Management Plan
- C. Organizational Breakdown Structure
- D. Scope Definition

**170. Scope verification is a part of:**

- A. Project initiation
- B. Project planning
- C. Project execution
- D. Project controlling

**171. Which of the following is not an output of scope change control?**

- A. Scope changes
- B. Work arounds
- C. Corrective action
- D. Lessons learned

**172. Which of the following is an input of scope change control?**

- A. Performance reports
- B. Corrective actions
- C. Work arounds
- D. Performance measurements

**173. The marketing department has just discovered that most buyers are not willing to pay the extra cost of one of the features planned in your current project. They submit a change request that is a result of:**

- A. An external event
- B. An error or omission in defining the scope of the product
- C. An error or omission in defining the scope of the project
- D. A value-adding change

**174. The marketing department has just discovered that a competitor is offering a new feature, using a new technology, on a product similar to the one being created by your project. They submit a change request that is the result of:**

- A. An external event
- B. An error or omission in defining the scope of the product
- C. An error or omission in defining the scope of the project
- D. A value-adding change

**175. The engineering department has just reported that a small plastic insert can be used as an acceptable substitute for an expensive molybdenum bearing in the warp drive you are creating. They submit a change request that is the result of:**

- A. An external event
- B. An error or omission in defining the scope of the product
- C. An error or omission in defining the scope of the project
- D. A value-adding change

**176. The engineering department has raised a question about the expensive molybdenum bearing you plan to use in your warp drive project. They believe they can find an**

**acceptable but cheaper substitute and submit a change request to do the necessary research. Their request is the result of:**

- A. An external event
- B. An error or omission in defining the scope of the product
- C. An error or omission in defining the scope of the project
- D. A value-adding change

**177. Who originates the Project Charter?**

- A. The Project Manager
- B. The Project Sponsor
- C. The client
- D. A manager external to the project

**178. What is the document that gives the PM the authority to apply organizational resources?**

- A. The Scope Paper
- B. The Project Definition Document
- C. The Project Charter
- D. The Statement of Work

**179. Which is true about a work breakdown structure?**

- A. It is a deliverable oriented grouping of project elements
- B. It shows work elements that have been assigned to various organizational units
- C. It is the same as a code of accounts
- D. It is developed after the baseline schedules and budgets have been developed

**180. Scope verification is concerned with:**

- A. Ensuring that all the elements necessary are included in the WBS
- B. Receiving buy-in from team members
- C. The acceptance of the work results
- D. Developing a project base line

**181. The document that describes the project's scope baseline is:**

- A. The master schedule
- B. The Project Definition document
- C. The Scope Paper
- D. The Work Breakdown Structure

**182. The two closing procedures are called:**

- A. Contract close out and scope verification
- B. Contract close out and administrative closure
- C. Project closure and product verification
- D. Project closure and lessons learned

**183. A work package is:**

- A. A task on the Work Breakdown Structure
- B. A level 1 activity on the Work Breakdown Structure
- C. A deliverable at the lowest level of the Work Breakdown Structure

D. An activity on the Project Schedule

**184. A scope change is:**

- A. Any change to the agreed upon project scope as defined by the approved WBS
- B. A precursor to changes in the schedule and cost baselines
- C. A result of poor planning
- D. An output of corrective action

**185. Overall change control requires all of the following except:**

- A. Maintaining the integrity of the baseline
- B. Ensuring that changes to the product scope are reflected in the project scope
- C. Coordinating changes across knowledge areas
- D. Making process adjustments as a result of deficiencies

**186. Overall change control is concerned with all of the following except:**

- A. Determining that a change has occurred
- B. Managing changes as they occur
- C. Creating change requests
- D. Influencing factors that create change to ensure that changes are beneficial

**187. Which of the following is not an input to overall change control?**

- A. Configuration management system
- B. Performance reports
- C. Change requests
- D. Project plan

**188. Your current project has over 200 specs, 350 engineering drawings and 5500 parts. What tool do you use to apply technical and administrative direction to identify the functional and physical characteristics of items, and control changes to those characteristics?**

- A. Change control system
- B. Configuration management
- C. Inventory control
- D. Operational definitions

**189. Configuration management does all of the following except:**

- A. Control changes to functional and physical characteristics of an item or a system
- B. Record and report changes to any functional and physical characteristics of an item or a system
- C. Defines the steps by which official project documents may be changed
- D. Audits items and systems to ensure conformance to requirements

**190. At the outset of a project you should define the processes necessary to account for change.**

**Which of the following is not a standard inclusion in a change control system?**

- A. Performance reports
- B. Procedures to handle changes that may be approved without prior review
- C. How to handle changes in emergencies
- D. The responsibilities of the change control board

**191. Which of the following is not a type of baseline from which to measure change?**

- A. Project plan
- B. WBS
- C. Operational definitions
- D. Project schedule

**192. There are three outputs that are common to scope, schedule and cost control processes. Which of the following is not a common output to these control processes?**

- A. Baseline updates/changes
- B. Lessons learned
- C. Corrective action
- D. Process adjustments

**193. Performance reports are an input to overall change control. Which of the following statements is not necessarily true about performance reports?**

- A. They provide information on past project performance
- B. They provide information on current status
- C. They may alert the team to potential future problems
- D. They are the outcome of project reviews

**194. You are continually faced with tasks coming in late because your resources are being pulled off to handle other "urgent" situations. You have set up a conference with several of the managers who have been doing this on a regular basis. What technique might you use to alleviate the current situation?**

- A. Forcing
- B. Problem solving
- C. Smoothing
- D. Ignoring

**195. In a team meeting, two of the managers start a discussion that escalates into an argument. In order to restore peace to the meeting you point out the part of the conflict that they both agree to and using friendly tones try to defuse the current situation. This is an example of what type of conflict management?**

- A. Smoothing
- B. Problem solving
- C. Withdrawal
- D. Compromising

**196. A WBS provides a framework from which all of the following can be done except:**

- A. All tasks to be performed can be identified and resources allocated to them
- B. Once resource levels have been allocated to tasks, estimates of task duration can be made
- C. A network diagram, illustrating task dependencies, can be constructed
- D. All cost and resource allocations can be totaled to develop the overall project budget

**197. A WBS provides a framework from which all of the following can be done except:**

- A. A network diagram, illustrating task dependencies, can be constructed
- B. All cost and resource allocations can be totaled to develop the overall project budget.
- C. Performance can be tracked against the identified cost, schedule, and resource allocations

D. Assignment of responsibility for each element can be made

**198. Part of being a project manager involves dealing with conflict. According to John Adams, Ph.D., there are five methods for dealing with conflict. Some of them are used for temporary fixes, some provide more permanent resolutions. Which of the following is used for temporary resolution?**

- A. Smoothing
- B. Problem solving
- C. Forcing
- D. Compromising

**199. A Work Breakdown Structure provides a framework from which all of the following can be done except:**

- A. Task durations can be used in developing a working schedule for the project
- B. A network diagram, illustrating task dependencies, can be constructed
- C. Performance can be tracked against the identified cost, schedule, and resource allocations
- D. Assignment of responsibility for each element can be made

**200. Which of the following is least likely to be a source of conflict in a matrix environment?**

- A. Competing priorities between the project and functional manager
- B. Competing for resources between the functional and project manager
- C. Project team member working at a different site than the project manager
- D. Ambiguous lines of authority between the functional and project manager

**201. Which of the following is not provided by the framework of a Work Breakdown structure?**

- A. All tasks to be performed can be identified and resources allocated to them
- B. Once resource levels have been allocated to tasks, estimates of task duration can be made
- C. A network diagram, illustrating task dependencies, can be constructed
- D. All cost and resource allocations can be totaled to develop the overall project Budget

**202. According to James P. Lewis, which of the following is not provided by the framework of a Work Breakdown structure?**

- A. Network diagram, illustrating task dependencies, can be constructed
- B. All cost and resource allocations can be totaled to develop the overall project budget.
- C. Performance can be tracked against the identified cost, schedule, and resource allocations
- E. Assignment of responsibility for each element can be made

**203. As a project manager in a project organization you are constantly dealing with conditions that breed conflict as you execute your project. Which of the following is not a condition of conflict in a project organization?**

- A. High stress
- B. Multiple bosses
- C. Ambiguous roles
- D. Low position power

**204. You are in the implementation phase of a project. At this point, which of the following is the lowest source of conflict for you?**



- A. Conflict over technical opinions
- B. Conflict over schedule and cost
- C. Conflict over personnel resources
- D. Conflict over personality issues

**205. According to John R. Adams Ph.D., there are five sources of power that people have: legitimate, coercive, reward, expert and referent. If the team knows that the project manager who is managing the project is reporting straight up to the President, what type of power is most prevalent?**

- A. Legitimate
- B. B. Coercive
- C. Referent
- D. D. Reward

**206. Two weeks ago the project manager was fired for not managing the project well. The project is behind schedule, over cost and the morale on the team is very low. The new project manager is having a team meeting. She starts out by telling the team about the last three projects she worked on, how they were similar to this one and how she brought them in ahead of schedule and on budget. What type of power is she establishing?**

- A. Legitimate
- B. Expert
- C. Referent
- D. Reward

**207. The BCWP is 65%, the BCWS is 70%. The project manager wants to make up for the 5%. The project sponsor has set aside \$5000 as a reserve to remedy this situation. Instead of using it to hire temporary labor, or pay overtime, the project manager is using it as an incentive for the team to catch up in 60 days. If they do, the money will be used to take the team members and their guests to Catalina for an all expenses paid weekend. What type of power is the project manager referencing?**

- A. Referent
- B. Coercive
- C. Reward
- E. Expert

**208. Project execution is very much an integrative process whereby all the work that was planned is actually accomplished. During this integrative process, what is the area that the project manager will spend the least amount of time on?**

- A. Conflict resolution
- B. Documentation and planning
- C. Prioritization and removal of road blocks
- D. Trade off among schedule, cost and scope

**209. The CFO wants to know how the project is going. You put together a presentation that shows the milestones, progress to date against schedule and budget, and projected progress in the next 30 days. What type of power does this demonstrate to senior management?**

- A. Coercive
- B. Reward
- C. Legitimate
- D. Expert

**210. What two main knowledge areas are not listed in the execution process of the project, but rather a part of the controlling process?**

- A. Schedule and cost
- B. Cost and communication
- C. Quality and risk
- D. Risk and procurement

**211. Coordinating changes across knowledge areas is a function of:**

- A. Scope change control
- B. Project plan execution
- C. Overall change control
- D. Baseline management

**212. Making need information available to project stakeholders in a timely manner is called:**

- A. Performance reporting
- B. Information distribution
- C. Trend analysis
- D. Variance analysis

**213. A vendor has notified you that a shipment will be 3 weeks late. This will also delay the manufacturing of several other items. Recognizing that you will need to make some changes to the project, what is your next step?**

- A. Reference the penalty clause in the vendor contract
- B. Coordinate the change across all impacted areas
- C. Change the schedule baseline
- D. Ensure that the change is reflected in the product definition

**214. In communication, which of the following is not a responsibility of the sender?**

- A. Making sure that the information is clear
- B. Making sure that the information is unambiguous
- C. Making sure that the information is complete
- D. Making sure that the information is received

**215. As a software development manager in a boutique software shop that sells custom solutions, you have designed a system that helps you control change. This system identifies the version number of releases, identifies any unique code, and has records of all the different variations and who the customer is. This system is formally known as:**

- A. Overall change control
- B. Subsidiary change control
- C. Software management
- D. Configuration management

**216. A set of manual files made available to all team members is called:**

- A. A communication management plan
- B. An information retrieval system
- C. An information distribution system
- D. A performance reporting system

**217. In reviewing your earned value reports you notice that your application integration testing is moving along 20% ahead of schedule. You realize that you can have them test some of the enhancements, thereby improving the quality of the product, while staying on schedule and within budget. This is an example of:**

- A. Performance reporting
- B. Overall change control
- C. Schedule change control
- D. Earned value

**218. An ad hoc group that discusses variances to the baselines, a documented process to manage variances, and procedures to update documents are all part of:**

- A. Scope change control
- B. Project plan execution
- C. Configuration management
- D. Change control system

**219. Which of the following is an input to the information distribution process?**

- A. Communication skills
- B. Work results
- C. Performance reports
- D. Change requests

**220. The customer has decided that he wants blue walls instead of gray. You have not painted the walls yet. What should you do?**

- A. Document the change order and buy blue paint
- B. Change the scope document to reflect the change
- C. Update the schedule to reflect the change
- D. See if the contract allows a 15% surcharge for changes

## **ANSWERS**

1.C Reference: PMBOK 2.3.3

2.B Reference: PMBOK 3.1

3.B Reference: PMBOK 3.3.3

4.C Reference: PMBOK 3.2

5.C Reference: PMBOK 2.3.1

6.D Reference: PMBOK 3.3.2

7.A Reference: PMBOK 2.3.3

8.B Reference: PMBOK 3.3.4

9.D Reference: PMBOK 2.3.3

10.A Reference: PMBOK 2.4

11.B Reference: PMBOK 1.2

12.C Reference: PMBOK 1.3.2

13.D Reference: Project Management:

14.A Reference: Project Management: A Systems Approach to Planning, Scheduling, and Controlling, 7th Edition P.33

15.B Reference: Project Management: A Systems Approach to Planning, Scheduling, and Controlling, 7th Edition p. 97

16.C Reference: PMBOK 1.4

17.D Reference: PMBOK 1.5

18.A Reference: PMBOK 10.4 and Figure 3-7

19.C Reference: PMBOK 10.1  
20.B Reference: PMBOK 10.1  
21.D Reference: PMBOK 10.1.1.2  
22.D Reference: PMBOK 4.2  
23.D Reference: PMBOK 10.3  
24.B Reference: PMBOK 10.3.2.4  
25.D Reference: PMBOK 10.4.1  
26.A Reference: PMBOK Figure 10-3, 10.3.2.4  
27.B Reference: PMBOK 10.3.2.  
28.B Reference: PMBOK 10.3.2.4  
29.A Reference: PMBOK 10.3.2.4  
30.C Reference: PMBOK 10.3.2.4  
31.C Reference: PMBOK 10.2.2.1  
32.B Reference: PMBOK 10.2.2.2  
33.B Reference: Project Management: A Managerial Approach, 2000 p. 259  
34.A Reference: Project Management: A Managerial Approach, 2000, p. 236  
35.D Reference: Human Resource Skills for the Project Manager : The Human Aspects of Project Management pp. 117 - 119  
36.C Reference: PMBOK 10.2.2.3  
37.B Reference: PMBOK 10.1.2.1  
38.B Reference: PMBOK 10.1.3.1  
39.A Reference: PMBOK Glossary  
40.D Reference: PMBOK Figures 3-5, 3-7 and 7-1  
41.C Reference: PMBOK 7.1  
42.A Reference: PMBOK 7.1.1.3  
43.B Reference: PMBOK 7.1.1  
44.D Reference: PMBOK 7.1.1.4  
45.D Reference: PMBOK 7.2  
46.C Reference: PMBOK 7.2.1  
47.B Reference: PMBOK 7.2.2  
48.A Reference: PMBOK 7.2.2.1  
49.B Reference: PMBOK 7.2.2.2  
50.C Reference: PMBOK 7.2.3  
51.C Reference: PMBOK 7.4.3.4  
52.D Reference: PMBOK 7.3.1  
53.A Reference: PMBOK 7.4.1  
54.B Reference: PMBOK 7.4.2  
55.C Reference: PMBOK 7.4.3  
56.D Reference: Kerzner 846 & PMBOK 7.4.2.2  
57.C Reference: Project Management: A Systems Approach to Planning, Scheduling and Controlling, 6th Edition p. 762  
58.A Reference: Project Management: A Systems Approach to Planning, Scheduling, and Controlling, 6th Edition p.762  
59.A Reference: PMBOK 2.1.2  
60.C Reference: PMBOK 2.1.2  
61.D Reference: PMBOK 2.1.2  
62.C Reference: PMBOK 2.1.1  
63.C Reference: PMBOK 2.3.1  
64.D Reference: PMBOK 9.1.2.3  
65.C Reference: PMBOK 9.1  
66.A Reference: PMBOK 9.1.1.3  
67.C Reference: PMBOK 9.1.3  
68.B Reference: PMBOK 9.2.1  
69.D Reference: PMBOK 9.3.1  
70.B Reference: PMBOK 7.3  
71.C Reference: PMBOK 7.3.3.1

72.C Reference: PMBOK 7.3.3.1  
73.B Reference: PMBOK 7.3.1  
74.A Reference: PMBOK 7.3.2.1  
75.A Reference: PMBOK 3.2  
76.B Reference: PMBOK 2.2  
77.C Reference: PMBOK 2.1.3 1996 PMBOK 2.1.2 2000  
78.C Reference: PMBOK 9.1.1.1  
79.C Reference: PMBOK 9.3.2.3  
80.D Reference: PMBOK 9.3.2  
81.D Reference: PMBOK 9.2  
82.C Reference: Human Resource Skills for the Project Manager:  
83.A Reference: Human Resource Skills for the Project Manager:  
84.B Reference: Human Resource Skills for the Project Manager:  
The Human Aspects of Project Management p. 34  
85.D Reference: Human Resource Skills for the Project Manager:  
The Human Aspects of Project Management p.34  
86.C Reference: Human Resource Skills for the Project Manager:  
The Human Aspects of Project Management p.61  
87.B Reference: Human Resource Skills for the Project Manager:  
The Human Aspects of Project Management p.63  
88.B Reference: Human Resource Skills for the Project Manager:  
The Human Aspects of Project Management p.61  
89.D Reference: PMBOK 9.1.3.2  
90.A Reference: PMBOK 9.2.1.2  
91.A Reference: PMBOK 9.2.2  
92.A Reference: PMBOK 4  
93.B Reference: PMBOK 4  
94.C Reference: PMBOK 4.1  
95.D Reference: PMBOK 4.1.1  
96.A Reference: PMBOK 4.1.2.1  
97.B Reference: PMBOK 4.1.3.1  
98.C Reference: PMBOK 4.2  
99.D Reference: PMBOK 4.3.1  
100.A Reference: PMBOK 4.3.2  
101.B Reference: PMBOK 4.3  
102.C Reference: PMBOK 4.1.1.5  
103.D Reference: PMBOK 4.1  
104.A Reference: PMBOK 4.1.2  
105.B Reference: PMBOK 4.2.2.3  
106.C Reference: Organizing Projects for Success p.91  
107.D Reference: Organizing Projects for Success p.88  
108.A Reference: PMBOK 4.1.1.3  
109.B Reference: PMBOK 3.3.5 & 10.4  
110.C Reference: PMBOK 4.3.2  
111.D Reference: PMBOK 4.3.3  
112.D Reference: PMBOK 4.2  
113.C Reference: PMBOK 4.2.2.3  
114.C Reference: PMBOK 4.2.2  
115.D Reference: PMBOK 10.4  
116.B Reference: Project Management: A Managerial Approach, 2000 p.540-545  
117.C Reference: Project Management: A Managerial Approach, 2000 p.543-544  
118.A Reference: Project Management: A Managerial Approach, 2000 p.541  
119.D Reference: Project Management: A Managerial Approach, 2000 p. 544-545  
120.B Reference: Project Management: A Managerial Approach, 2000 p. 541-542  
121.C Reference: Project Management: A Managerial Approach, 2000 p.545  
122.D Reference: Project Management: A Managerial Approach, 2000 p. 555-556

123.A Reference: Project Management: A Managerial Approach, 2000 p. 555-556  
124.B Reference: Project Management: A Managerial Approach, 2000 p.555-556  
125.A Reference: PMBOK Figure 10-3, 10.3.2.4  
126.B Reference: Earned Value Project Management p. 138  
127.B Reference: PMBOK 10.3.2.4  
128.B Reference: PMBOK 4.2  
129.A Reference: PMBOK 4.1  
130.D Reference: PMBOK 4.1.1  
131.B Reference: PMBOK 4.1.1.4  
132.C Reference: PMBOK 4.1.1.5  
133.C Reference: PMBOK 4.1.2.1  
134.D Reference: PMBOK 4.1.2.2  
135.A Reference: PMBOK 4.1.2.3  
136.B Reference: PMBOK 4.1.3.1  
137.C Reference: PMBOK 4.1.3.1  
138.C Reference: PMBOK 9.3.2.5  
139.B Reference: PMBOK 9.3.3  
140.C Reference: PMBOK 9.3.3.2  
141.B Reference: Principles of Project Management p. 162  
142.C Reference: Principles of Project Management p. 162  
143.B Reference: Principles of PM p. 162  
144.D Reference: Principles of Project Management p. 162  
145.A Reference: Principles of Project Management p. 162  
146.D Reference: Principles of Project Management p. 162  
147.D Reference: Principles of Project Management p. 153-154  
148.B Reference: Principles of Project Management p. 157  
149.A Reference: PMBOK 12  
150.C Reference: PMBOK 2.3.1  
152.B Reference: PMBOK 12.1  
153.A Reference: PMBOK 12.2  
154.D Reference: PMBOK 12.1.2  
155.B Reference: PMBOK 12.1.3.1  
156.C Reference: PMBOK 12.3  
157.D Reference: PMBOK 12.4.2  
158.A Reference: PMBOK 12.5  
159.B Reference: PMBOK 5.1  
160.C Reference: PMBOK 5.1.3  
161.D Reference: PMBOK 5.1.3  
162.C Reference: PMBOK 5.2.3.1  
163.C Reference: PMBOK 5.3  
164.A Reference: PMBOK 5.4.1  
165.B Reference: PMBOK 5.5  
166.C Reference: PMBOK 6.4.2  
167.C Reference: PMBOK 5.2.3.1  
168.B Reference: PMBOK 5.1.2.1  
169.A Reference: PMBOK 5.3.3.1  
170.D Reference: PMBOK 3.3.4 & 5.4  
171.B Reference: PMBOK 5.5.3  
172.A Reference: PMBOK 5.5.1  
173.B Reference: PMBOK 5.5.1.3  
174.A Reference: PMBOK 5.5.1.3  
175.D Reference: PMBOK 5.5.1.3  
176.D Reference: PMBOK 5.5.1.3  
177.D Reference: PMBOK 5.1.3.1  
178.C Reference: PMBOK 5.1.3.1  
179.A Reference: PMBOK 5.3.3

180.C Reference: PMBOK 5.4  
181.D Reference: PMBOK 5.3.3.1  
182.B Reference: PMBOK 12.6 and 10.4  
183.C Reference: PMBOK 5.3.3  
184.A Reference: PMBOK 5.5.3  
185.D Reference: PMBOK 4.3  
186.D Reference: PMBOK 4.3  
187.A Reference: PMBOK 4.3.1  
188.B Reference: PMBOK 4.3.2.2  
189.C Reference: PMBOK 4.3.2.2 Configuration management does all of the following except:  
190.A Reference: PMBOK 4.3.2.1  
191.C Reference: PMBOK 4.3.1, 5.5.1, 6.5.1, 8.1.3  
192.D Reference: PMBOK 4.3.3, 5.5.3, 6.5.3, 8.3.3  
193.D Reference: PMBOK 4.3.1.2, 10.3  
194.B Reference: The Principles of Project Management p. 178  
195.A Reference: The Principles of Project Management p. 178  
196.C Reference: Project Planning, Scheduling & Control, Lewis p.75  
197.A Reference: Project Planning, Scheduling & Control, Lewis p. 75  
198.A Reference: The Principles of Project Management p. 178  
199.B Reference: Project Planning, Scheduling & Control, Lewis p. 75  
200.C Reference: The Principles of Project Management p. 184-186  
201.C Reference: Project Planning, Scheduling & Control, Lewis p. 75  
202.A Reference: Project Planning, Scheduling & Control, Lewis p. 75  
203.D Reference: The Principles of Project Management p. 184  
204.D Reference: The Principles of Project Management p. 189  
205.C Reference: The Principles of Project Management p. 190-191  
206.B Reference: The Principles of Project Management p. 190-191  
207.C Reference: The Principles of Project Management p. 190-191  
208.B Reference: The Principles of Project Management p. 73  
209.D Reference: The Principles of Project Management p. 190-191  
210.A Reference: PMBOK 3.3.3  
211.C Reference: PMBOK 4.3  
212.B Reference: PMBOK 10.2  
213.B Reference: PMBOK 4.3  
214.D Reference: PMBOK 10.2.2.1  
215.D Reference: PMBOK 4.3.2.2  
216.B Reference: PMBOK 10.2.2.3  
217.B Reference: PMBOK 4.3  
218.D Reference: PMBOK 4.3.2.1  
219.B Reference: PMBOK 10.2.1.1  
220.A Reference: PMBOK 4.3

# Question Set 6

Total Questions: 240



**1. "A Project Manager is at the project kick-off meeting. He confidently states the vision and mission for the project. This PM is exhibiting the following leadership style:**

- A. Hierarchal
- B. Authoritarian
- C. Charismatic
- D. Associative

**2. You are in charge of developing a new product for a bank. Your quality metrics are based on the 80th percentile of each of the last three products developed. This is an example of:**

- A. Statistical sampling
- B. Metrics
- C. Benchmarking
- D. Operational definitions

**3. The two closing procedures are called:**

- A. Contract close out and scope verification
- B. Contract close out and administrative closure
- C. Project closure and product verification
- D. Project closure and lessons learned

**4. Scoring models, comparative approaches and benefit contribution are all part of:**

- A. Constrained optimization models for selecting a project
- B. Benefit measurement models for selecting a project
- C. Quality measurement techniques
- D. Information distribution tools

**5. During the schedule development process the Project Manager may have to go through several iterations of the schedule before establishing the schedule baseline. All of the following are tools and techniques that may be used during this process:**

- A. Critical Path Method, GERT, Resource Requirements
- B. Resource Leveling Heuristics, Mathematical Analysis, Calendars
- C. Duration compression, Resource Leveling Heuristics, PERT
- D. GERT, PERT, Leads and Lags

**6. Which of the following models of conflict resolution allows a cooling off period, but seldom resolves the issue in the long term?**

- A. Problem solving
- B. Withdrawal
- C. Forcing
- D. Smoothing

**7. The "To Complete Performance Index" (TCPI) is calculated by:**

- A. Subtracting the actual costs to date from the estimate at completion
- B. Dividing the budgeted cost of the remaining work by the difference between the estimate at completion and actual costs to date
- C. Multiplying the estimate at completion by the cumulative cost performance index
- D. Adding the estimate at completion to the actual costs to date and multiplying by the cumulative cost performance index

**8. A complex project will fit best in what type of organization?**

- A. Functional
- B. Cross-functional
- C. Matrix
- D. Balanced

**9. Which of the following could be an appropriate WBS code for a work package at the fourth level in a WBS where the top level code is 1.0?**

- A. 1.4
- B. 1.1.1.1
- C. 1.2.3.4
- D. a and c
- E. b and c

**10. Which of the following Project Scope Management processes involves subdividing the major project deliverables into smaller, more manageable components?**

- A. Scope Planning
- B. Initiation
- C. Scope Change Control
- D. Scope Definition
- E. none of the above

**11. The review of key deliverables and project performance at the conclusion of a project phase is called:**

- A. phase exit
- B. kill point
- C. stage gate
- D. a and c
- E. all of the above

**12. Which of the following is a common characteristic of most project life cycle descriptions?**

- A. Cost and staffing are low at the start, higher towards the end, and drop rapidly as the project nears completion.
- B. The probability of successfully completing the project is highest at the start of the project.
- C. Stakeholders have the most influence on the final characteristics of the product at the end of the project.
- D. a and b

**13. Project scope is:**

- A. The work that must be done in order to deliver a product with the specified features and functions.
- B. The features and functions that are to be included in a product or service.
- C. A narrative description of work to be performed under contract.
- D. a and b
- E. all of the above

**14. What is the purpose of the WBS?**

- A. To show which work elements have been assigned to organizational units.
- B. To ensure that all work within a project is identified and defined within a common framework.
- C. To show the organizational structure of a program.
- D. all of the above

**15. The unique identifiers assigned to each item of a WBS are often known collectively as:**

- A. The work package codes
- B. The project identifiers
- C. The code of accounts
- D. The element accounts

**16. Change requests can occur due to:**

- A. An external event such as a change in government regulation.
- B. An error or omission in defining the scope of the product.
- C. An error or omission in defining the scope of the project.
- D. a and c
- E. all of the above

**17. What is the difference between scope verification and quality control?**

- A. There is no difference.
- B. Scope verification is primarily concerned with the correctness of work results while quality control is primarily concerned with the acceptance of work results.
- C. Scope verification is concerned with ensuring that changes are beneficial while quality control is concerned that the overall work results are correct.
- D. Scope verification is primarily concerned with the acceptance of work results while quality control is primarily concerned with the correctness of work results.

**18. Which of the following are outputs of the Scope Verification Process?**

- A. Inspection
- B. Work results
- C. Formal acceptance
- D. Scope changes
- E. B and C

**19. Which of the following are outputs of the Scope Change Control Process?**

- A. Scope changes
- B. Corrective action
- C. Lessons learned
- D. All of the above
- E. None of the above

**20. Who should contribute to the development of the project plan?**

- A. Project manager
- B. Entire project team including project manager
- C. Senior management
- D. Just the planning department

**21. A project plan is:**

- A. A formal, approved document used to guide both project execution and project control.
- B. A document issued by senior management that provides the project manager with the authority to apply organizational resources to project activities.
- C. A narrative description of products or services to be supplied.
- D. A document describing the organizational breakdown structure of the company.

**22. Which of the following tools and techniques are commonly used in the Scope Definition Process?**

- A. Benefit/cost analysis
- B. Decomposition
- C. Inspection
- D. WBS templates
- E. b and d

**23. Which of the following is NOT an example of a type of schedule report?**

- A. Gantt chart
- B. Milestone chart
- C. fishbone diagram
- D. network diagram

**24. What is the primary purpose of a milestone chart?**

- A. To show task dependencies.
- B. To show resource constraints.
- C. To show significant events in the project such as completion of key deliverables.
- D. To highlight the critical path.
- E. All of the above

**25. When should the project manager be assigned?**

- A. As early in the project as feasible.
- B. Preferably before much project planning has been done.
- C. At least prior to the start of project plan execution.
- D. All of the above.

**26. In which type of organization(s) is the project manager's role most likely part-time?**

- A. Functional
- B. Balanced Matrix
- C. Weak Matrix
- D. Strong Matrix
- E. a and c

**27. A document which describes how project scope will be managed and how scope changes will be integrated into the project is: (choose the best answer)**

- A. A project plan
- B. A risk analysis
- C. A scope management plan
- D. A scope statement

**28. Which of the following statements concerning a scope statement are true?**

- A. It provides a documented basis for making future project decisions and for developing common understanding of the project scope among stakeholders.
- B. Scope statement and Statement of work are synonymous.
- C. Project justification and project objectives are not included or referenced in the scope statement.
- D. Once written, the scope statement should never be revised.
- E. all of the above.

**29. During what Time Management Process are the specific activities that must be performed to produce the deliverables in the WBS identified and documented?**

- A. Activity Sequencing
- B. Activity Definition
- C. Schedule Development
- D. Activity Duration Estimating

**30. A period of time in work weeks which includes non-working days is called:**

- A. Elapsed Time
- B. Duration
- C. Effort
- D. Earned Time

**31. The amount of time that an activity can be delayed from its early start without delaying the project end date is called:**

- A. Negative Float
- B. Free Float
- C. Total Float
- D. Float
- E. c and d

**32. What are you likely to see as a project progresses in a schedule with must fix dates and little or no slack?**

- A. Lots of free float
- B. Idle resources
- C. Negative float
- D. Positive float

**33. Given the following estimates: Optimistic 3 days, Pessimistic 9 days, and most likely 6 days, what is the PERT weighted average?**

- A. 6
- B. 4
- C. 6.3
- D. 6.1

**34. What is the standard deviation for the estimates in the above problem?**

- A. 0.6
- B. 2
- C. 1.5
- D. 0.5
- E. 1

**35. In crashing the schedule, you would focus on:**

- A. Accelerating as many tasks as possible
- B. Accelerating just the non-critical tasks
- C. Accelerating the performance of tasks on the critical path
- D. None of the above

**36. To calculate the late start and late finish dates for a set of tasks, you must do:**

- A. An analysis of the critical path
- B. A forwards pass
- C. A backwards pass
- D. a and c
- E. all of the above

**37. An activity that consumes no time or resources and shows only that a dependency exists between two activities is called:**

- A. A milestone
- B. A hammock
- C. A dummy activity
- D. a and c
- E. all of the above

**38. A modification of a logical relationship that allows an acceleration of the successor task is represented by:**

- A. Lead time
- B. Lag time
- C. Negative Lag
- D. a or b
- E. a or c

**39. Assuming a PERT weighted average computation, what is the probability of completing the project within plus-or-minus 3 standard deviations of the mean?**

- A. 68%
- B. 99.74%
- C. 95%
- D. 75%

**40. Schedule variance can be determined by:**

- A. BCWP - ACWP
- B. ACWP - BCWP
- C. EAC - ACWP
- D. BCWP - BCWS

**41. What is critical path?**

- A. The shortest path through the network, which represents the longest amount of time in which a project can be completed.
- B. The path with zero float.
- C. The longest path through the network, which represents the shortest amount of time in which a project can be completed.
- D. The path with the most activities with the longest durations.

E. b and c

**42. The Time Management Process that involves identifying and documenting interactivity dependencies is called:**

- 48. Activity Definition
- 49. Activity Duration Estimating
- 50. Activity Dependencies
- 51. Activity Sequencing

**43. A network diagram that uses nodes to represent activities and arrows to show the activity dependencies and allows no loops is called:**

- A. AOA
- B. AON
- C. ADM
- D. GERT

**44. Project Cost Management includes all of the following except:**

- A. Resource leveling
- B. Resource planning
- C. Cost estimating
- D. Cost budgeting
- E. Cost control

**45. Which of the following choices indicates that a project has a burn rate of 1.2?  
Hint: Burn rate is the same as the Cost Performance Index**

- A. The BCWS is 100 and the BCWP is 120.
- B. The ACWP is 100 and the BCWP is 120.
- C. The ACWP is 120 and the BCWP is 100.
- D. The BCWP is 100 and the BCWS is 120.

**46. The inputs to Cost Budgeting includes all of the following except:**

- A. Cost estimates
- B. Cost baseline
- C. WBS
- D. Project schedule

**47. During the six month update on a 1 year, \$50,000 project, the analysis shows that the BCWS is \$25,000; the BCWP is \$20,000 and the ACWP is \$15,000. What can be determined from these figures?**

- A. The project is behind schedule and over cost.
- B. The project is ahead of schedule and under cost.
- C. The project is ahead of schedule and over cost.
- D. The project is behind schedule and under cost.

**48. Earned value is:**

- A. Actual cost of work performed.
- B. Completed work value.
- C. Budgeted cost of work performed.
- D. Percent complete.

E. All except A.

**49. Which of the following Cost Management processes are concerned with cost baseline?**

- A. Cost estimating
- B. Cost budgeting
- C. Cost control
- D. B and C
- E. A and B

**50. Cost control is concerned with:**

- A. Allocating the overall estimates to individual work packages in order to establish a cost baseline.
- B. Influencing the factors which create changes to the cost baseline to ensure that changes are beneficial.
- C. Determining that the cost baseline has changed.
- D. B and C
- E. A and B

**51. Which of the following statements concerning bottom-up estimating is true?**

**A. The cost and accuracy of bottom-up estimating is driven by the size of the individual work items.**

- B. Smaller work items increase both cost and accuracy.
- C. Larger work items increase both cost and accuracy.
- D. A and C
- E. A and B

**52. Percent complete is calculated by:**

- A.  $ACWP/BAC$
- B.  $BCWP-ACWP$
- C.  $BCWP/BAC$
- D.  $EAC/BAC$

**53. Life cycle costing:**

- A. Includes acquisition, operating, and disposal costs when evaluating various alternatives.
- B. Includes only the cost of the development or acquisition of a product or service.
- C. Does not take into consideration the effect of project decisions on the cost of using the resulting product.
- D. B and C

**54. Analogous estimating:**

- A. Uses bottom-up estimating techniques.
- B. Uses the actual costs from a previous, similar project.
- C. Is synonymous with top-down estimating.
- D. A and B
- E. B and C



**55. Estimated at Completion is determined by:**

- A. ETC + ACWP
- B. BAC - ETC
- C. BAC/CPI
- D. A and C
- E. A and B

**56. Parametric cost estimating involves:**

- A. Calculating individual cost estimates for each work package.
- B. Using rates and factors based on historical experience to estimate costs.
- C. Using the actual cost of a similar project to estimate total project costs.
- D. A and B
- E. B and C

**57. A cost management plan is:**

- A. A plan for describing how cost variances will be managed.
- B. A subsidiary element of the project charter.
- C. An input to the Cost Estimating process.
- D. A and C
- E. A and B

**58. Cost estimating:**

- A. Involves developing an estimate of the costs of the resources needed to complete project activities.
- B. Includes identifying and considering various costing alternatives.
- C. Involves allocating the overall estimates to individual work items.
- D. A and C
- E. A and B

**59. Which of the following inputs belongs to Resource Planning?**

- A. Scope statement
- B. Resource pool description
- C. Organizational policies
- D. Historical information
- E. All of the above are inputs to Resource Planning

**Questions: 60 - 63**

<b>Task</b>	<b>BCWS</b>	<b>ACWP</b>	<b>BCWP</b>
1	9,500	10,000	9,500
2	15,000	13,000	11,000
3	13,000	13,000	13,000
4	8,000	8,000	9,000
5	10,000	10,000	9,000

**60. Which task is most over budget?**

- A. Task 1
- B. Task 2
- C. Task 3
- D. Task 4
- E. Task 5

**61. Which task is ahead of schedule and under cost?**

- A. Task 1
- B. Task 2
- C. Task 3
- D. Task 4
- E. Task 5

**62. Which task is on schedule with a cost variance of \$0?**

- A. Task 1
- B. Task 2
- C. Task 3
- D. Task 4
- E. Task 5

**63. Which task has the greatest schedule variance?**

- A. Task 1
- B. Task 2
- C. Task 3
- D. Task 4
- E. Task 5

**64. The process of evaluating overall project performance on a regular basis to provide confidence that the project will satisfy the relevant quality standards is called:**

- A. Quality Assurance
- B. Quality Control
- C. Quality Planning
- D. Quality Review

**65. The process of monitoring specific project results to determine if they comply with relevant quality standards is called:**

- A. Quality Assurance
- B. Quality Control
- C. Quality Planning
- D. Quality Review

**66. A histogram ordered by frequency of occurrence that shows how many results were generated by each identified cause is:**

- A. Statistical Histogram
- B. Juran Histogram
- C. Fishbone Diagram
- D. Pareto Diagram

**67. Tools and techniques used during the Quality Planning process include:**

- A. Benefit/cost analysis
- B. Benchmarking
- C. Quality audits
- D. a and b
- E. all of the above

**68. The overall intentions and direction of an organization with regard to quality as formally expressed by top management is a:**

- A. Quality Plan
- B. Quality Statement
- C. Quality Policy
- D. TQM

**69. CIP is:**

- A. Continuous improvement process
- B. A sustained, gradual change
- C. Includes constancy of purpose and commitment to quality as part of its focus
- D. a and b
- E. all of the above

**70. The practice of ceasing mass inspections and ending awards based on price is credited to:**

- A. Edward Deming
- B. Philip Crosby
- C. Juran
- D. Pareto

**71. Quality is:**

- A. Zero defects found
- B. Conformance to requirements
- C. The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs
- D. b and c
- E. all the above

**72. The concept of making a giant leap forward followed by a period of maturity is:**

- A. Innovation

- B. Continuous improvement
- C. Just in time
- D. Paradigm

**73. The concept that it is easier and less costly to do the work right the first time is called:**

- A. Zero defects
- B. Continuous improvement
- C. DTRTRTFT
- D. The customer is the next person in the process

**74. The ability of a product to be used for different purposes at different capacities and under different conditions determines its:**

- A. Usability
- B. Flexibility
- C. Operability
- D. Availability

**75. Which of the following is not considered a cost of nonconformance to quality?**

- A. Scrap
- B. Rework
- C. Expediting
- D. Process control
- E. all of the above are considered nonconformance costs

**76. Cost of quality includes:**

- A. Cost of all work to build a product or service that conforms to the requirements
- B. Training programs
- C. Cost of all work resulting from nonconformance to the requirements
- D. a and b
- E. all of the above

**77. What percentage of sales is estimated to be the cost of non-quality?**

- A. 3-5%
- B. 12-20%
- C. 30-40%
- D. 6-8%

**78. A series of consecutive points on the same side of the average is called:**

- A. Run
- B. Trend
- C. Outliers
- D. Cycle

**79. Which of the following statements concerning acceptance sampling is false?**

- A. Used when expensive and time-consuming to test the product 100%.
- B. The number of allowable defects before lot is rejected is predetermined.
- C. Inspection and test standards must be established to ensure that procedures can adequately determine conformance and nonconformance.
- D. If the number of defects found in the sample exceeds the predetermined amount, the entire lot is rejected.
- E. All of the above are true

**80. 80% of the problems are found in 20% of the work is a concept of:**

- A. Edward Deming
- B. Philip Crosby
- C. Juran
- D. Pareto

**81. A structured tool, usually industry or activity specific, used to verify that a set of required steps has been performed is called:**

- A. Quality Policy
- B. Check list
- C. Trend analysis
- D. Pareto diagram

**82. A tool that analyzes the inputs to a process to identify the causes of errors is called:**

- A. Cause and effect diagram
- B. Scatter diagram
- C. Ishikawa diagram
- D. Pareto diagram
- E. a and c

**83. The concept of zero inventory is called:**

- A. Six sigma
- B. Continuous improvement
- C. Just in Time
- D. Zero defects

**84. The project manager's leadership style should be matched to the corresponding developmental level of the project team and should move through successive steps in the following order:**

- A. Disciplinary, autocratic, participative
- B. Staff planning, team training, performance monitoring
- C. Team building, team development, responsibility assignment
- D. Directing, coaching, supporting, delegating

**85. Human resource administration is the primary responsibility of the:**

- A. Project Management Team
- B. Human Resources Department
- C. Executive Manager
- D. Project Manager
- E. Line Managers

**86. A mandatory prerequisite for team building is:**

- A. Funding for staff development activities
- B. Shared work ethics among team members
- C. Commitment from top level management
- D. Removal of troublesome individuals

**87. Which of the following is best for handling cross-functional project needs for a large, complex project?**

- A. A strong matrix organization
- B. A project coordinator
- C. A project expeditor
- D. Direct executive involvement
- E. A functional organization

**88. Collocation can mean:**

- A. All, or almost all, team members are moved to a central physical location for the life of the project.
- B. Active team members may be at different physical locations, but meet on a regular basis.
- C. A war room is established where team members can meet periodically.
- D. a and c
- E. b and c

**89. A key barrier to team development is:**

- A. A strong matrix management structure.
- B. When major problems delay the project completion date or budget targets.
- C. When team members are accountable to both functional and project managers.
- D. When formal training plans cannot be implemented.
- E. When members cannot be collocated.

**90. Which of the following are examples of project-based organizations?**

- A. Architectural firms, engineering firms, and consultants
- B. Construction contractors and government contractors
- C. Organizations that have adopted a management by projects approach
- D. Most manufacturing companies and financial service firms
- E. a, b, and c
- F. a, b, and d

**91. Legitimate power is:**

- A. Power derived from a person's formal position in the organization.
- B. Power bestowed due to a person's personal qualities and abilities.
- C. Power earned based on a person's technical knowledge, skill, or expertise in a particular area.
- D. Power to distribute information as one sees fit.

**92. What impact does a matrix organization have on project team development?**

- A. No impact at all
- B. It complicates team development.
- C. It simplifies team development.
- D. It hinders team development completely.

**93. Which of the following is not a process of project human resource management?**

- A. Organizational Planning
- B. Staff Acquisition
- C. Information Distribution
- D. Team Development

**94. A technique for resolving conflict in which the parties agree to have a neutral third party hear the dispute and make a decision is called:**

- A. Negotiation
- B. Arbitration
- C. Smoothing
- D. Forcing

**95. Which of the following is not an input into organizational planning?**

- A. Recruitment practices
- B. Project interfaces
- C. Staffing requirements
- D. Constraints

**96. Forcing, as a means to manage conflict:**

- A. Exerts one's view at the potential expense of another party.
- B. Emphasizes areas of agreement while avoiding points of disagreement.
- C. Establishes a lose-lose situation.
- D. a and c

**97. When should the project expeditor form of organization be used?**

- A. When the project is extremely important to the organization.
- B. When a project's cost and importance are relatively low.
- C. When the project manager has a lot of responsibility and accountability.
- D. When the organization's primary source of revenue is derived from projects.

**98. The belief that management's high levels of trust, confidence and commitment to workers leads to high levels of motivation and productivity on the part of workers is a part of which motivation theory?**

- A. Theory Y
- B. Theory Z
- C. Theory X
- D. Contingency Theory

**99. Which of the following is part of the expectancy theory of motivation?**

- A. Clear, specific, and challenging goals generally motivate team members.

- B. Project managers should ensure that tasks assigned to project participants match their skills and the organizational climate is conducive to helping them meet their needs and achieving a sense of competence.
- C. People tend to be highly productive and motivated if they believe their efforts will lead to successful results and that success will lead to personal rewards.
- D. b and c
- E. All of the above are part of the expectancy theory of motivation

**100. Which of the following statements concerning compromise as a conflict resolution is false?**

- A. Neither party wins but both parties get some degree of satisfaction.
- B. Important aspects of the project may be hindered in order to achieve personal objectives.
- C. Compromise is generally considered a lose-lose situation.
- D. A Definitive resolution is seldom achieved.

**101. In which type of organization is team building likely to be most difficult?**

- A. Functional
- B. Projectized
- C. Matrix
- D. Project expediter
- E. Project coordinator

**102. A document or tool which describes when and how human resources will be brought onto and taken off the project team is called a:**

- A. Staffing Management Plan
- B. Responsibility Assignment Matrix (RAM)
- C. Organizational Breakdown Structure (OBS)
- D. Resource Assignment Chart

**103. A tool which links the project roles and responsibilities to the project scope definition is called:**

- A. Scope Definition Matrix
- B. Responsibility Assignment Matrix
- C. Roles Assignment Matrix
- D. Project Scope and Roles Matrix

**104. Which of the following is not a process of Project Communications Management?**

- A. Administrative Closure
- B. Performance Reporting
- C. Information Distribution
- D. Communications Planning
- E. Conflict Resolution

**105. Which of the following are outputs from the Communications Planning process?**

- A. Project records
- B. Communications management plan
- C. Performance reports
- D. Formal acceptance
- E. b and c



**106. The receiver filters messages based on all but the following:**

- A. Culture
- B. Semantics
- C. Language
- D. Distance
- E. Knowledge

**107. How much time does the typical project manager spend communicating both formally and informally?**

- A. 40-60%
- B. 50-70%
- C. 60-80%
- D. 75-90%

**108. In communications management, to assimilate through the mind or senses is the process of:**

- A. Receiving
- B. Decoding
- C. Comprehending
- D. Understanding

**109. The sending or conveying of information from one place to another is the process of:**

- A. Networking
- B. Transmitting
- C. Encrypting
- D. Promoting

**110. Group brainstorming encourages all of the following except:**

- A. Team building
- B. Analysis of alternatives
- C. Convergent thinking
- D. Uninhibited verbalization

**111. The three major types of communication are:**

- A. Written, verbal, and non-verbal.
- B. Verbal, formal documentation, informal documentation.
- C. Verbal, written, and graphic.
- D. Verbal, written, and electronic.

**112. All of the following are outputs from performance reporting EXCEPT:**

- A. Trend analysis
- B. "S" curves, histograms, bar charts, and tables
- C. Performance reports
- D. Change requests
- E. Stakeholder reports

**113. All of the following aid in achieving consensus EXCEPT:**

- A. Maintaining a focus on the problem, not each other.
- B. Avoiding conflict.
- C. Seeking facts.
- D. Avoiding voting, trading, or averaging.

**114. All of the following are communication tools EXCEPT:**

- A. Memos
- B. Verbal circulation of a rumor
- C. Videos
- D. Body language
- E. Inputting data into a spreadsheet

**115. Communication is the PRIME responsibility of a Project:**

- A. Manager in a weak matrix
- B. Manager in a projectized environment
- C. Coordinator
- D. Expeditor

**116. A tight matrix is:**

- A. A balanced matrix organization.
- B. Where all team members are brought together in one location.
- C. Where functional managers operate in a dual reporting structure reporting to both their own departments and to the project manager.
- D. a and c

**117. The sender is responsible for:**

- A. Confirming the message is understood.
- B. Ensuring the receiver agrees with the message.
- C. Scheduling communication exchange.
- D. Presenting the message in the most agreeable manner.

**118. What are the four parts of the communications model?**

- A. Sending, Receiving, Decoding, and Comprehending
- B. Sender, Message, Medium, Receiver
- C. Communicator, Message, Receiver, Decoder
- D. Communicating, Transmitting, Receiving, Comprehending

**119. A leadership style in which the project manager shares problems with team members and formulates solutions as a group is called:**

- A. Autocratic
- B. Consultation in a group
- C. Consensus
- D. One-to-one consultation

**120. In negotiating with functional department managers, project managers often find themselves using what two-party conflict management approach?**

- A. Win-Lose

- B. Win-Win
- C. Lose-Lose

**121. A type of organization in which the project manager has little formal authority and basically acts as a staff assistant to an executive who is ultimately responsible for the project is called:**

- A. Functional
- B. Weak matrix
- C. Project coordinator
- D. Project expeditor

**122. Formal acceptance by the client or sponsor of the project should be prepared and distributed during which process?**

- A. Information Distribution
- B. Administrative Closeout
- C. Organizational Planning
- D. Performance Reporting

**123. In which of the following organizations is the project manager role likely to be part-time?**

- A. Weak matrix
- B. Functional
- C. Balanced matrix
- D. a and b
- E. All of the above

**124. Project Risk Management includes all of the following processes except:**

- A. Risk Quantification
- B. Risk Identification
- C. Risk Analysis
- D. Risk Response Development
- E. Risk Response Control

**125. Using the PMBOK definition of contingency reserve, which of the following statements about contingency reserves is false?**

- A. A contingency reserve is a separately planned quantity used to allow for future situations which may be planned for only in part.
- B. Contingency reserves may be set aside for known unknowns.
- C. Contingency reserves may be set aside for unknown unknowns.
- D. Contingency reserves are normally included in the project's cost and schedule baselines.

**126. Which of the following is not a tool or technique used during the Risk Quantification Process?**

- A. Expected monetary value
- B. Contingency planning
- C. Decision Trees
- D. Statistical sums
- E. All of the above are tools and techniques of Risk Quantification

**127. Which of the following is true about pure risk?**

- A. The risk can be deflected or transferred to another party through a contract or insurance policy.
- B. Pure risks involve the chance of both a profit and a loss.
- C. No opportunities are associated with pure risk, only losses.
- D. a and c
- E. a and b

**128. A contingency plan is:**

- A. A planned response that defines the steps to be taken if an identified risk event should occur.
- B. A workaround
- C. A reserve used to allow for future situations which may be planned for only in part.
- D. a and c
- E. a and b

**129. The normal risk of doing business that carries opportunities for both gain and loss is called:**

- A. favorable risk
- B. opportunity risk
- C. pure risk
- D. business risk

**130. A risk response which involves eliminating a threat is called:**

- A. Mitigation
- B. Deflection
- C. Avoidance
- D. Transfer
- E. b and d

**131. Deflection or transfer of a risk to another party is part of which of the following risk response categories?**

- A. Mitigation
- B. Acceptance
- C. Avoidance
- D. Analysis

**132. When should risk identification be performed? (select best answer)**

- A. During Concept Phase
- B. During Development Phase
- C. During Implementation Phase
- D. Risk identification should be performed on a regular basis throughout the project.

**133. Which of the following statements is false?**

- A. Uncertainty and risk are greatest at the start of the project and lowest at the end.
- B. The amount at stake is lowest at the end of the project and greatest at the start.
- C. Expected monetary value can be expressed as the product of the risk event probability and the risk event value.
- D. Opportunities are positive outcomes of risk.

**134. A contingency plan is executed when:**

- A. A risk is identified.
- B. An identified risk occurs.
- C. When a workaround is needed.
- D. All of the above
- E. b and c

**135. Management reserves are used to handle which type of risk?**

- A. Unknown unknowns
- B. Known unknowns
- C. business risks
- D. pure risks

**136. Which of the following techniques accounts for path convergence and generally estimates project durations more accurately?**

- A. CPM
- B. PERT
- C. Schedule simulation
- D. Path convergence method

**137. Most schedule simulations are based on some form of which of the following?**

- A. Delphi
- B. PERT
- C. CPM
- D. Monte Carlo Analysis

**138. When should a risk be avoided?**

- A. When the risk event has a low probability of occurrence and low impact.
- B. When the risk event is unacceptable -- generally one with a very high probability of occurrence and high impact.
- C. When it can be transferred by purchasing insurance.
- D. A risk event can never be avoided.

**139. If a project has an 80% chance of having the scope defined by a certain date and a 70% chance of obtaining approval for the scope by a certain date, what is the probability of both events occurring?**

- A. 75%
- B. 65%
- C. 50%
- D. 56%
- E. 66%

**140. The independence of two events in which the occurrence of one is not related to the occurrence of the other is called:**

- A. event phenomenom
- B. independent probability
- C. statistical independence
- D. statistical probability

**141. The one document that should always be used to help identify risk is the:**

- A. Risk Management Plan
- B. WBS
- C. Scope Statement
- D. Project Charter
- E. Contingency Plan

**142. Risks are accepted when:**

- A. You develop a contingency plan to execute should the risk event occur.
- B. You accept the consequences of the risk.
- C. You transfer the risk to another party.
- D. You reduce the probability of the risk event occurring
- E. a and b

**143. An example of risk mitigation is:**

- A. Using proven technology in the development of a product to lessen the probability that the product will not work
- B. Purchasing insurance
- C. Eliminating the cause of a risk
- D. Accepting a lower profit if costs overrun
- E. a and b

**144. A unilateral contract under which the seller is paid a preset amount per unit of service is called:**

- A. A cost reimbursable contract
- B. A lump sum contract
- C. A unit price contract
- D. A fixed price contract
- E. b or d

**145. Which of the following is considered during the Procurement Planning Process?**

- A. Whether to procure
- B. How to procure and how much to procure
- C. What and when to procure
- D. b and c
- E. all of the above

**146. From a buyer's standpoint, which of the following is true?**

- A. Procurement planning should include consideration of potential subcontracts
- B. Procurement planning does not include consideration of potential subcontracts since this is the duty of the contractor.
- C. Subcontractors are first considered during the Solicitation Process
- D. none of the above

**147. Which of the following processes involves obtaining information (bids and proposals) from prospective sellers?**

- A. Procurement Planning
- B. Source Selection

- C. Contract Administration
- D. Solicitation
- E. Solicitation Planning

**148. Which of the following is true about procurement documents?**

- A. Procurement documents are used to solicit proposals from prospective sellers.
- B. Invitation for Bid and Request for Proposal are two examples of procurement documents.
- C. Procurement documents should be structured to facilitate accurate and complete responses from prospective sellers.
- D. b and c
- E. all of the above

**149. Which of the following is a method for quantifying qualitative data in order to minimize the effect of personal prejudice on source selection?**

- A. Weighting system
- B. Screening system
- C. Selecting system
- D. none of the above
- E. all of the above

**150. Which of the following is true concerning evaluation criteria?**

- A. Can often be found in procurement documents
- B. Can be objective or subjective
- C. Used to rate or score proposals
- D. May be limited to purchase price if procurement item is readily available from number of sources
- E. all of the above

**151. Which of the following are inputs to the Source Selection Process?**

- A. Evaluation criteria
- B. Organizational policies
- C. Procurement documents
- D. a and b
- E. all of the above

**152. A significant difference between independent estimates and proposed pricing could mean that:**

- A. The independent estimates are most likely incorrect and the proposed pricing correct
- B. The SOW was not adequate
- C. The prospective seller either misunderstood or failed to respond fully to the SOW.
- D. b or c
- E. a or c

**153. Which of the following are examples of indirect costs?**

- A. Salaries of corporate executives
- B. Salaries of full-time project staff
- C. Overhead costs
- D. a and b
- E. a and c

- 154. Which of the following contract types places the greatest risk on the seller?**
- A. Cost-plus-fixed-fee contract
  - B. Cost plus-incentive-fee contract
  - C. Fixed-price-incentive contract
  - D. Firm-fixed-price contract
- 155. In which of the following contract types is the seller's profit limited?**
- A. Cost-plus-percentage-cost contract
  - B. Cost-plus-fixed-fee contract
  - C. Fixed-price-plus-incentive
  - D. b and c
  - E. none of the above
- 156. A cost-plus-percentage-cost (CPPC) contract has an estimated cost of \$120,000 with an agreed profit of 10% of the costs. The actual cost of the project is \$130,000. What is the total reimbursement to the seller?**
- A. \$143,000
  - B. \$142,000
  - C. \$140,000
  - D. \$132,000
- 157. A cost-plus-incentive-fee (CPIF) contract has an estimated cost of \$150,000 with a predetermined fee of \$15,000 and a share ratio of 80/20. The actual costs of the project is \$130,000. How much profit does the seller make?**
- A. \$31,000
  - B. \$19,000
  - C. \$15,000
  - D. none of the above
- 158. A fixed-price-plus-incentive-fee (FPI) contract has a target cost of \$130,000, a target profit of \$15,000, a target price of \$145,000, a ceiling price of \$160,000, and a share ratio of 80/20. The actual cost of the project was \$150,000. How much profit does the seller make?**
- A. \$10,000
  - B. \$15,000
  - C. \$0
  - D. \$5,000
- 159. Under what circumstances is it better for a contractor to subcontract?**
- A. The subcontractor possesses special technical and engineering skills that the contractor does not have.
  - B. The work to be subcontracted represents almost all of the overall work effort.
  - C. The subcontractor can perform the work at a lower cost than the contractor.
  - D. all the above
  - E. a and c
- 160. Which type of bilateral contract is used for high dollar, standard items?**
- A. Purchase order
  - B. Request for proposal (RFP)



- C. Invitation for bid (IFB)
- D. Request for quotation (RFQ)
- E. all of them are appropriate

**161. Which of the following are characteristics of a purchase order?**

- A. A bilateral contract used for low dollar items
- B. A unilateral contract used when routine, standard cost items are required.
- C. A bilateral contract used for high dollar, standard items
- D. a and c

**162. In which stage of the negotiation meeting are points of concession identified?**

- A. probing
- B. closure
- C. agreement
- D. scratch bargaining

**163. Which type of warranty is enacted if a service or product does not meet the level of quality specified in the contract?**

- A. Implied warranty of merchantability
- B. Implied warranty of specified quality
- C. Express warranty
- D. none of the above

**164. The budget for a major project lasting several years is usually prepared to reflect expenditures on an annual basis. The budget is, therefore, compared to expenditures at the end of each accounting cycle (i.e., each year). This poses a potential problem because**

- A. The budget will always be greater than the rate of expenditure when delays are encountered in paying the billings.
- B. The expenditure rate will be viewed optimistically (under spent) and the project manager will attempt to increase expenditures.
- C. The budget is not representative of the expenditure rate when there is an increase to the scope of work
- D. The budget changes too frequently to permit a valid comparison of the plan versus the actual expenditures
- E. Schedule delays or restructuring of the workload will affect costs during the accounting periods and give false indications of expenditure rates

**165. Which of the following is NOT a method of government procurement?**

- A. Assistance
- B. Sealed Bidding
- C. competitive proposals
- D. acquisition
- E. small purchases

**166. The "rule of seven" as applied to process control charts means that**

- A. Seven rejects typically occur per thousand inspections.
- B. Seven consecutive points are ascending, descending, or the same.
- C. At least seven inspectors should be in place for every thousand employees.

- D. A process is not out of control even though seven measurements fall outside the lower and upper control limits.

**167. There is project with CPI of 0.81 and TCPI=1.00001 this project is**

- A. Overbudget and cannot recover
- B. Underbudget
- C. Overbudget and early in its evolution
- D. No interference can be made

**168. As part of the quality audit, the scope statement is checked against the work results to ensure the conformance to the customer requirements. The results should be documented and used for:**

- A. Estimating future projects.
- B. Changing the project scope.
- C. Defining future project tasks.
- E. Validating the quality process

**169. The quality team for the project consists of several groups. Which of the following project participants plays the most important role in the quality function?**

- A. Customer
- B. Project Manager
- C. Project Team
- D. Vendors and suppliers

**170. In order to anticipate your management's approval of the amount of risk you plan to take on with your chosen project approach, you would use**

- A. Probability analysis
- B. The Delphi method
- C. The Monte Carlo method
- D. The utility theory

**171. Scope planning is:**

- A. Developing a comprehensive plan based on input from major stakeholders.
- B. Developing a written scope statement as the basis for future project decisions.
- C. The process, which provides information for planning project milestones.
- D. Subdividing the project into smaller, more manageable components.

**172. Completion of the \_\_\_\_\_ scope is measured against the plan.**

- A. Project
- B. Technical
- C. Product
- D. Baseline

**173. Project initiation is all of the following except:**

- A. A process of formally recognizing that a new project exists.
- B. A process of formally recognizing that an existing project should continue into its next phase.
- C. It links the project to the ongoing work of the performing organization.
- D. Its inputs are product description, strategic plan, constraints, and assumptions

**174. Decision models used in project initiation include:**

- A. Comparative approaches and scoring models
- B. Koenig analysis
- C. Sales projections
- D. Iterative risk sensitivity analysis

**175. A work breakdown structure is a:**

- A. Result of the scope planning process
- B. Deliverable oriented grouping of project elements that organizes and defines the total scope of the project
- C. Structure that can be used to track the project's time, cost, and quality performance against a defined baseline
- D. Valuable communications tool, but cannot be used to establish the number of required networks for cost control.

**176. The items at the lowest level of the WBS are called**

- A. Code of accounts
- B. Subtasks
- C. Work packages
- D. Nodes

**177. All of the following statements about the project charter are correct except:**

- A. It is often an internal legal document
- B. It identifies the project manager's authority and responsibility
- C. It identifies management and/or customer approved scope of the project
- D. It usually does not identify cost and time estimates

**178. Maintenance should:**

- A. Be considered part of the project life cycle because it is part of the total life cycle costing needed to do benefit/cost analysis in scope planning
- B. Should be part of the work breakdown structure to give the total scope of the required activities and effort
- C. Not be considered as a part of the project life cycle
- D. Be managed carefully because it is often a source of scope creep

**179. Projects are typically authorized as a result of any of the following except**

- A. Market demand
- B. Successful RFP bidding
- C. Regulatory requirement
- D. Technological advance

**180. A scope change control system**

- A. Defines the procedures by which the project scope may be changed.
- B. Is an information management system to support identifying, documenting, and managing project scope changes.
- C. Is a system of discipline to effectively control change within the scope of a project.
- D. Is a tool for the project manager to justify budget changes

**181. The major project scope management processes include:**

- A. Change order control
- B. Initiation
- C. Program evaluation
- D. Scope validation

**182. The work that must be done in order to deliver a product with the specified features and functions is:**

- A. Product scope
- B. Staffing scope
- C. The project
- D. Project scope

**183. The \_\_\_\_\_ documents the characteristics of the product or service that the project was undertaken to create.**

- A. Project charter
- B. Scope statement
- C. Product description
- D. Technical article

**184. An input to the scope change control process is:**

- A. Work results
- B. Performance reports
- C. Customer requirements
- D. Product defects

**185. The project manager should be assigned \_\_\_\_\_ as an output from the Initiation process:**

- A. Once a budget has been approved
- B. As early in the project as is feasible
- C. After the stakeholders have approved the assignment
- D. As soon as the project plan is ready to be executed

**186. Developing a written scope statement as the basis for future project decisions is called:**

- A. Product analysis
- B. Scope definition
- C. Project development
- D. Scope planning

**187. Techniques for conducting product analysis include:**

- A. Technical benefit analysis
- B. Value engineering
- C. Expert judgment
- D. Alternatives identification

**188. Scope planning includes alternatives identification, which can be conducted by the common technique of:**

- A. Lateral thinking

- B. Value engineering
- C. Cost/benefit analysis
- D. Constraints analysis

**189. A scope management plan describes:**

- A. An assessment of the stability of the stakeholder environment
- B. A highly detailed approach to managing the work breakdown structure scope
- C. How the project scope will be managed and how scope changes will be integrated into the project
- D. The stake holder's expectation on how changes will be identified and by what priority they will be addressed

**190. Decomposition is**

- A. What happens when changes to the project scope are ignored?
- B. Subdividing the major project deliverables into smaller, more manageable components.
- C. Defining a general product description into more discrete definitions of individual components
- D. Subdividing the project into logical divisions of effort aligned within the performing organization's functional areas

**191. A project management professional can compare earned value performance data to all of the following project management tools EXCEPT:**

- A. Critical path analysis.
- B. Technical performance metrics.
- C. Risk mitigation plans.
- D. Forecasted final costs and schedule estimates.

**192. You are the controller on your project. Your project manager has requested that you provide him with a forecast of project costs for the next 12 months. He needs this information to determine if the budget should be increased or decreased on this major construction project. In addition to the usual information sources, which of the following should you also consider?**

- A. Cost estimates from similar projects
- B. The WBS
- C. Long-range weather forecasts
- D. Existing change requests

**193. Earned value should be used to estimate final project costs because it.**

- A. Tests the "official" position of the project manager against a statistically forecasted range of final possibilities based on actual project performance
- B. Provides management with the final BAC, BCWS, and BCWP
- C. Shows specific tasks in which cost overruns are expected to occur and, thus, focuses the project manager's attention on critical tasks
- D. Ensures that management reserve or contingency will not be needed

**194. "The seller delivers a fixed price plus incentive fee project at a cost of \$90,000. The terms of the contract are a ceiling price of \$120,000, a target cost of \$ 100,000, a target profit of \$10,000, and a target price of \$110,000. The share ratio is 70/30. The final price(your total reimbursement) is:**

- A. \$93,000
- B. \$96,000

- C. \$97,000
- E. None of the above

**195. The party that needs the change resulting from the project, and who will be its custodian on completion is the**

- A. Owner
- B. Sponsor
- C. Customer
- D. Client

**196. The core planning processes include:**

- A. Scope planning, activity sequencing, communications planning
- B. Quality planning, communications planning, risk response development
- C. Scope definition, activity duration estimating, cost budgeting
- D. Scope planning, activity definition, cost estimating, quality planning, risk response planning

**197. In project communications, the sender is responsible for:**

- A. Making the information clear, unambiguous, and complete so that the receiver can receive it correctly.
- B. Ensuring information conveyed is accurate, clear, and timely so that it is useful to the receiver.
- C. Making sure that the information is received in its entirety and understood correctly.
- D. Identifying the proper choice of media, eliminating communications barriers, and utilizing the appropriate style and tone.

**198. Over the life cycle of the project, the quality of information:**

- A. Is dependent on the source and the disciplines used to ensure the information is kept up-to-date?
- B. Should remain constant if good communications are applied throughout the project.
- C. Increases from concept, to development, to implementation, to termination.
- D. Increases from concept to development to implementation, and then decreases during and after termination.

**199. The most important criteria in selecting project selection method is:**

- A. Ease of use
- B. Cost of using it
- C. Available expertise
- D. Capability
- E. Realism

**200. What is Team Development?**

- A. setting up a team of people with the skills set that are required
- B. sending you project team to a PMI seminar
- C. motivating your project team members
- D. enhancing the ability of stakeholders to contribute as individuals
- E. enhancing the ability of the team to function as a team

**201. 3 major processes in Project HRM**

- A. Staff recruitment, project staff planning and team building
- B. Organizational planning, staff acquisition and team development
- C. Rewarding, salary reviews and penalties
- D. Staff acquisition, staff training, and staff deployment

**202. The seller delivers a fixed price plus incentive fee project at a cost of \$90,000. The terms of the contract are a ceiling price of \$120,000, a target cost of \$ 100,000, a target profit of \$10,000, and a target price of \$110,000. The share ratio is 70/30. The final price (your total reimbursement) is:**

- A. \$93,000
- B. \$96,000
- C. \$97,000
- D. None of the above

**203. A project is defined as:**

- A. A process of considerable scope that implements a plan.
- B. An endeavor, which is planned, executed, and controlled; performed by people; and constrained by limited resources.
- C. A temporary endeavor undertaken to create a unique product or service.
- D. An objective based effort of temporary nature.

**204. General management encompasses:**

- A. Planning, organizing, staffing, executing, and controlling the operations of an ongoing enterprise.
- B. Business policy, financial management, business economics, contract administration, and legal services necessary for operating an enterprise.
- C. Business strategy, planning and controlling, organizational behavior, procurement, and personnel administration required for managing the ongoing aspect of a business venture.
- D. Organizational development, staffing, marketing and sales, procurement, and contract administration as part of an ongoing organization.

**205. A program is:**

- A. A number of subprojects divided into manageable components enabling a project team to ensure the completion of a desired outcome.
- B. A group of projects managed in a coordinated way to obtain benefits not available from managing them individually.
- C. A project plan developed by key management for a desired outcome.
- D. A regular, ongoing operation, which involves many projects.

**206. Project management processes can be organized into:**

- A. Initiating, planning, contracting, executing, and administration
- B. Designing, developing, testing, and implementing
- C. Initiating, designing, planning, executing, controlling, and implementation
- D. Initiating, planning, executing, controlling, and closing

**207. \_\_\_\_\_ involve(s) coordinating people and other resources to carry out the plan**

- A. Work breakdown structure
- B. Resource planning

- C. Planning processes
- D. Executing processes

**208. \_\_\_\_\_ must be measured regularly to identify variance from the plan.**

- A. Stakeholder requirements
- B. Project performance
- C. Schedule progress
- D. Cost and schedule

**209. The party that needs the change resulting from the project, and who will be its custodian on completion is the**

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- B. Should remain constant if good communications are applied throughout the project.
- C. Increases from concept, to development, to implementation, to termination.
- D. Increases from concept to development to implementation, and then decreases during and after termination.

**213. Critical input to scope initiation is:**

- A. WBS
- B. Project charter
- C. The organization strategic plan
- D. Message from sponsor

**214. Projects are initiated in response of:**

- A. Stakeholder's pressure



- B. Business needs
- C. Technological obsolescence
- D. All of the above

**215. The scope statement should include:**

- A. Project charter, project objectives and WBS
- B. Project objectives, constraints and assumptions
- C. Scope of work
- D. WBS, work assignment system

**216. A project kick off meeting is usually conducted to:**

- A. Setup project team and announce the PM assignment
- B. To draft project charter
- C. Build up team spirit
- D. Define project scope and develop WBS

**217. A WBS should be developed to cover**

- A. As many level of detail you want to
- B. Up to 3 level of detail and 80 hrs
- C. What your manager feel comfortable with
- D. The number needed to control the project effectively

**218. The WBS usually:**

- A. Define the objectives and assumptions/contraints
- B. Determine the project scope
- C. Make it easier to assign resources to activity
- D. Define the project priorities

**219. 1. Which of the following methods is least likely to be used for explaining project planning guidelines to the team?**

- A. Project Office Memo
- B. Project office directive
- C. Project team meeting
- D. Formal project report

**220. Which of the following is least likely to be used in explaining to a team member why you consider her/his performance substandard?**

- A. Project Office Memo
- B. Project office directive
- C. Project team meeting
- D. Individual conversation

**221. Which of the following is not one of Crosby's Four Absolutes of Quality?**

- A. Quality means conformance to requirements
- B. Quality comes from prevention
- C. Quality is measured by the cost of conformance
- D. Quality is measured by the cost of non-conformance

**222. Which of the following is not a strong acquisition tool?**

- A. Request for proposal
- B. Invitation for sealed bids
- C. Negotiate a price through bargaining
- D. Term Contract

**223. Which of the following is not an external-unpredictable risk?**

- A. Changes in government regulations
- B. Natural hazards
- C. Unexpected environmental side effects
- D. Inflation

**224. The delphi Method is best suited for:**

- A. Decision-making
- B. Cost Control
- C. Overhead rate estimating
- D. Team discussions

**225. Standardization of purchased material:**

- A. Complicates inventory control
- B. Reduces the risk of obsolescence
- C. Reduces cost of purchasing and storage
- D. Guarantees conformance to project schedule

**226. The sum of the products and services to be provided as a project is called:**

- A. Scope
- B. Deliverables
- C. Project charter
- D. Data items

**227. Maslow ranked Human needs from the highest to lowest**

- A. Self actualization, self promotion, social, security and physiological needs
- B. Self esteem, self actualization, social, security and physiological
- C. Self actualization, self esteem, social, security and physiological
- D. Self fulfillment, self esteem, social, security and physiological

**228. You are faced with two very important decision in your life. What is the better decision financially?**

- A. Eat a hamburger with cost \$4, with a probability of e-coli sickness which will have a 1% probability to land you in the hospital with a cost of \$7000.
- B. Or you can take French food costing you \$60, which will have only a probability of 0.1% landing you in the hospital. The hospital cost is \$5000.

**229. Your project is in the final test stage, the user acceptance test. It meets all the product specs and is under planned costs. In term of schedule, this project is ahead. Your customer meets you and requested that he will not accept the product unless you make several changes. What you should do is:**

- A. Get the list of the changes and estimate all of them. If the total cost is still within the baseline, you just do it
- B. Estimate the costs and send this to your customer requesting contract modification
- C. Ask the customer to file a Change request
- D. Sit with the customer to review the product specs and tell him/her that you have completed the project.

**230. To make an informed decision about buying insurance, the project manager needs to determine the ratio of insurance cost and the expected value of the loss. For example, if the cost of insurance is \$10,000, the value of the property is \$200,000, and the probability of loss is 0.05 (or five percent), the insurance is \_\_\_\_\_.**

- A. desirable because it will costs less than the probable losses
- B. undesirable because it costs more than the probable losses
- C. the same as the cost of the probable loss and there is no advantage
- D. none of the above

**231. The single point standard deviations are 3, 5, 10 and 3 for the critical path. What is the standard deviation for the entire path?**

**232. Which of the following statements concerning contract type is correct?**

- A. A fixed price contract contains the most risk for the buyer.
- B. Cost reimbursable contracts offer sellers the highest profit potential.
- C. Lump sum contracts offer sellers the greatest profit potential.
- D. Unit price contracts are illegal in many jurisdictions.

**233. Herzberg identified factors, which, if present, will lead to increased motivation. A typical factor would be:**

- A. Good supervision
- B. Job security
- C. Regular promotions
- D. Good salary
- E. A dental plan

**234. Your customer ask for a small change in the project, which was not budgetted in the project. It is a small effort as compared to the total project and you need the goodwill for a multimillion dollar on the pipeline. You will**

- A. Refuse to do the work
- B. Agree to do the work at no charge
- C. Do the work and bill him later
- D. Assess the cost and schedule impact and tell them you will decide later

**235. You are responsible for ensuring that your seller's performance meets contractual requirements. For effective contract administration, you should-**

- A. Hold a bidders conference
- B. Establish the appropriate contract type
- C. Implement the contract change control system
- D. Develop a statement of work

**236. The three major causes of change on a project are-**

- A. Replacement of the project manager or key project team members, changes in priorities by senior management, and contractual difficulties
- B. Changes in the relative importance of time, resources, or cost; new knowledge about the deliverable; and technological uncertainty
- C. Errors in the initial assessment of how to achieve the goal of the project, new information about the project deliverable, and a new mandate
- D. Unavailability of resources promised by the functional managers, cost overruns, and changes in customer requirements

**237. The purpose of the review of deliverables and project performance at the conclusion of a project phase is to-**

- A. Determine how many resources are required to complete the project according to the project baseline
- B. Adjust the schedule and cost baselines based on past performance
- C. Obtain customer acceptance of project deliverables
- E. Determine whether the project should continue to the next phase

**238. The budget for a major project lasting several years is usually prepared to reflect expenditures on an annual basis. The budget is, therefore, compared to expenditures at the end of each accounting cycle (i.e., each year). This poses a potential problem because \_\_\_\_\_ .**

- A. The budget will always be greater than the rate of expenditure when delays are encountered in paying the billings
- B. The expenditure rate will be viewed optimistically (underspent) and the project manager will attempt to increase expenditures
- C. The budget is not representative of the expenditure rate when there is an increase to the scope of work
- D. The budget changes too frequently to permit a valid comparison of the plan versus the actual expenditures
- E. Schedule delays or restructuring of the workload will affect costs during the accounting periods and give false indications of expenditure rates

**239. A contractor is working on a fixed price contract that calls for a single, lump sum payment upon satisfactory completion of the contract. About halfway through the contract, the contractor project manager informs their contract administrator that financial problems are making it difficult for them to pay their employees and subcontractors. The contractor asks for a partial payment for work accomplished. Which of the following actions by the buyer is most likely to cause problems for the project?**

- A. Starting partial payments for work accomplished.
- B. Making no payments because it would violate the conditions of the contract.
- C. Paying for work accomplished to date.
- D. Negotiating a change to the payment conditions in the contract.

**240. Using the situation below and assuming continued efficiency for work-in progress and fixed price contract for task four. The estimate at completion is:**

**Budgeted Cost BCWS ACWP BCWP**

**Task One \$5K \$5K \$6K \$5K**

**Task Two \$6K \$6K \$8K \$4K**

**Task Three \$4K \$2K \$1K \$1K**

**Task Four \$4K \$0K \$0K \$0K**

- A. \$19K
- B. \$21K

- C. \$26K
- D. \$29K

## ANSWERS

- 2. C (PMBOK 8.2.2.1 & 8.1.2.1)
- 3. B (PMBOK 12.6 and 10.4)
- 4. B (PMBOK 5.1.2.1)
- 5. C (PMBOK 6.4.2)
- 6. B (Principles of PM, page 162)
- 7. B (Earned Value Project Management, page 138)
- 8. C (PMBOK 2.3.1)
- 9. E
- 10. D
- 11. E (PMBOK, Page 11)
- 12. A (PMBOK, Page 12)
- 13. A (PMBOK, Page 47 and Glossary definition for Scope)
- 14. B (Definition of "A" is OBS, See PMBOK, Page 56)
- 15. C
- 16. E (PMBOK, Page 57)
- 17. D (PMBOK, Page 56)
- 18. C ("D" is an output of Scope Control Process)
- 19. D (PMBOK, Page 57)
- 20. B
- 21. A
- 22. E (PMBOK, Page 48)
- 23. C (ESI Challenge!, Question 18)
- 24. C
- 25. D
- 26. E
- 27. C
- 28. A
- 29. B
- 30. A
- 31. E (Free float is the amount of time an activity can be delayed without affecting the start time of the succeeding activity)
- 32. C
- 33. A
- 34. E
- 35. C
- 36. C
- 37. C (ESI Questions, Question 23)
- 38. E
- 39. B (Lewis, Page 181)
- 40. D
- 41. E
- 42. D
- 43. B
- 44. A
- 45. B ( $CPI = BCWP/ACWP = 1.2$ , This means, for every dollar spent, the project is achieving \$1.2 of values)
- 46. B (Cost baseline is an output of Cost Budgeting)
- 47. D
- 48. E
- 49. D (Cost baseline is an output of Cost Budgeting and an input to Cost Control)

- 50. D
- 51. E
- 52. C (Option A is percent spent)
- 53. A
- 54. E
- 55. D
- 56. B
- 57. A
- 58. E
- 59. E
- 60. B
- 61. D
- 62. C
- 63. B
- 64. A
- 65. B
- 66. D
- 67. D
- 68. C
- 69. E
- 70. A
- 71. D (Option B is from CII Publication 10-2, Option C is from ISO 8402)
- 72. A
- 73. C
- 74. B
- 75. D
- 76. E
- 77. B
- 78. A
- 79. E
- 80. D
- 81. B
- 82. E
- 83. C
- 84. D
- 85. B
- 86. C
- 87. A
- 88. D
- 89. C
- 90. E (Project-base organizations fall into 2 categories: organizations that derive their revenue primarily from performing projects for others and organizations that use a management by projects approach -- meaning that they typically have management systems such as financial, accounting, tracking, and reporting specifically designed to support project management. PMBOK, Page 17 )
- 91. A (See Adams, "Principles of Project Management", Page 74 and Verma's, "HR Skills for the PM", Page 23)
- 92. B (Complicates team development because team members are accountable to both their functional manager and the project manager)
- 93. C
- 94. B
- 95. A (Recruitment practices is an input of Staff Acquisition.)
- 96. A (Forcing establishes a win-lose situation)
- 97. B
- 98. B (Verma's "HR Skills for the PM", Page 71-73)

99. C ("A" is part of Goal-Setting Theory" and "B" is part of the Contingency Theory)
100. D (A definitive resolution is achieved when a compromise is reached and accepted as a just solution by all parties in conflict)
101. C
102. A (The staffing management plan often includes resource histograms)
103. B
104. E
105. B
106. D (Assumes that the media used for distance communication is acceptable (fax or phone is operational))
107. D
108. A (Decoding is deciphering a message once assimilated)
109. B
110. C
111. A (Reference Vijay Verma's, *Human Resource Skills for the Project Manager*, Page 18-21)
112. A (The outputs are change requests and performance reports. Stakeholder reports are examples of performance reports and B are examples of the formats for performance reports)
113. B (In the modern view, conflict is inevitable and is a natural result of change. If managed properly, conflict is frequently beneficial. Withdrawal tends to minimize conflict but also fails to resolve the issue)
114. E (Communication involves the exchange of information and implies a sender and a receiver)
115. D
116. B
117. A
118. B
119. C (Reference Verma, "HR skills for the PM", Page 218)
120. C
121. D
122. B
123. D
124. C
125. C
126. B
127. D
128. A (A workaround is an unplanned response to a negative risk event. Option C is the definition of contingency reserve)
129. D
130. C
131. A
132. D
133. B
134. B
135. A
136. C
137. D
138. B
139. D
140. C
141. B
142. E
143. E
144. C
145. E

146. A (Particularly if buyer wishes to exercise some degree of influence or control over subcontracting decisions)
147. D
148. E
149. A
150. E
151. D (Proposals is the other input. procurement documents are input into the Solicitation Process)
152. D
153. E
154. D
155. D
156. A (Is Implied)
157. B
158. A
159. E
160. C
161. B
162. D
163. C
164. No Answer
165. No Answer
166. No Answer
167. C (A is out. There is no indication of recovery, B is out per CPI, C is out since we can't determine the project stage, D is the answer)
168. C
169. A
170. D (Utility Theory from Wideman "Utility Theory, endeavors to formalize management attitude towards risk" "Techniques that take into account the attitude towards risk of the decision maker")
171. B (PMBOK Page 51-5.2)
172. A (PMBOK Page 47-5-Product Scope & Requirements, Project Scope & Plan)
173. D (PMBOK Page 49-5.1)
174. A (PMBOK Page 50-5.1.2.1)
175. B (PMBOK Page 54-5.3.3.1, Project Management, Kerzner Page 543-550)
176. C (PMBOK Page 56-5.3.5.1)
177. D (Project Management, Kerzner, Page 583)
178. C (Managing Projects in Organizations, Frame, Page 16)
179. B (PMBOK Page 49-5.1)
180. A (PMBOK Page 58-5.5.2.1)
181. B (PMBOK Page 47)
182. D (PMBOK Page 47)
183. C (PMBOK Page 49-5.1.1.1)
184. B (PMBOK Page 48- Figure 5-1)
185. B (PMBOK Page 50-5.1.3.2)
186. D (PMBOK Page 51-5.2)
187. B (PMBOK Page 51-5.2.2.1)
188. A (PMBOK Page 51-5.2.2.3)
189. C (PMBOK Page 52-5.2.3.3)
190. B (PMBOK Page 53-5.3.2.2)
191. D
192. D (A change request is likely to have an impact on costs and may result in either an increase or a decrease in the project budget. PMI1996, Page 80 - 7.4.3.1)
193. A (The most commonly used method of performance measurement, earned value analysis integrates scope, cost, and schedule measures to assess project performance by



- calculating BCWS, ACWP, and BCWP for each activity. Fleming and Koppelman 1996,108; PMI® 1996,108 - 10.3.2.4)
194. D (Target profit is \$10,000 Actual cost is \$90,000 which is below the target of \$100,000. The saving is \$100,000-\$90,000=\$10,000. Share ratio is 70/30, which meant 70% for buyer and 30% for seller (when I answered this problem last month, I am not even aware of the real meaning), so this means that the seller get 30% of \$10,000 or \$3,000. The seller will now get \$90,000 (actual cost) + \$10,000 (target profit) + incentive of \$3,000 => a total of \$103,000. This is D)
195. B (Most Likely B. However the PMBOK is not definite on the difference between Sponsor, Client and Customer)
196. C (A is out - Common planning is not core. B&D is out - same reason. For this question we have to refer to Fig 3.5. Per the PMBOK 3.3.2 (last paragraph on page 30) core planning processes are: Scope Planning, Scope Definition, Activity Definition, Activity Sequencing, Activity Duration Estimating, Schedule Development, Resource Planning, Cost Estimating, Cost Budgeting, and Project Plan Development.)
197. A (10.2.2 PMBOK. Although A matches the PMBOK in verbage. The meaning of B has the essentially the same meaning as A. The differences are too subtle; therefore both A & B can be correct for this. )
198. C or B
199. E
200. D & E (PMBOK HR Management, Page 99-101. Team development includes both enhancing the ability of stakeholders to contribute as individuals as well as enhancing the ability of the team to function as a team. Individual development (managerial and technical) is the foundation necessary to develop the team. Development as a team is critical to the project's ability to meet its objectives." Difference between Team Development and team Building - PMBOK Page 99 section 9.3 Team Development is a process on the HR Mgmt knowledge area. Team Building is a tools & Technique for the process (Page 100)
201. B (See PMBOK pg 93. 9.1 Organizational Planning-identifying, documenting, and assigning project roles, responsibilities, and reporting relationships. 9.2 Staff Acquisition-getting the human resources needed assigned to and working on the project. 9.3 Team Development-developing individual and group skills to enhance project performance.)
202. D (\$103,000 is not one of the options)
203. C (PMBOK Page 4)
204. A (PMBOK Page 8, A Framework for Project and Program Mgmt Integration, Wideman, Page IV-2, 3)
205. B (PMBOK Page 8)
206. D (PMBOK Page 28)
207. D (PMBOK Page 28)
208. B (PMBOK Page 32 – 3.3.4)
209. A (A Framework for Project and Program Management Integration, Wideman, Page V-1)
210. C (PMBOK Page 31-32)
211. A (PMBOK Page 23 – 2.4.2)
212. C (A Framework for Project and Program Mgmt Integration, pg III-9)
213. B
214. D
215. B
216. A
217. D
218. C
219. D
220. C
221. All are correct  
 (Crosby's Four Absolutes of Quality Management  
 1. What is quality? Quality is conformance to requirements, not goodness.  
 2. What system is needed to cause quality? Prevention, not detection.)

3. What performance standard should be used? Zero-defects, not "that's close enough."  
 4. What measurement system is required? Price of conformance and non-conformance.)
222. –
223. D (Govt. requirements are made public well in advance. Natural Hazards are unknowns-unknowns, environment side effects are insurable. Inflation is complete unpredictable.)
224. A (The Delphi Method  
 1. Each member independently and anonymously writes down comments and suggestions about ways to deal with a problem of issue.  
 2. Ideas are compiled, reproduced, and distributed to members for observation and reaction.  
 3. Each member provides feedback to the entire group concerning each of the comments and proposed solutions.  
 4. The members reach consensus on which solution is most acceptable to the group as a whole.)
- 225.
226. B
227. C
228. –
229. C (Most probably)
230. C (The EMV is  $5\% \times 200,000 = 10,000$  same like the insurance cost)
231. About 12.  
 (The total path standard deviation is calculated by the square root of the sum of the squares of the activity standard deviations (Kerzner, page 661, section 12.7). Also in PMBOK page 116 last lines)
232. C
233. C
- Hygiene factors:
- Compensation [this is D]
  - Company policy & administration [this is E]
  - Working conditions [This is B]
  - Relationship with supervisors and subordinates [this is A]
  - Relationship with peers
  - Level of supervision (too much or too little) [this is can be A]
- Motivating factors:
- Advancement
  - Achievement
  - The challenge of variety inherent in the work itself
  - Sense of responsibility
  - Recognition
  - Personal growth [this is C]
- it seems that motivating factors are particular to an individual and hygiene factors are general and offered by the company to all as part of policy and culture.
234. D
235. C (Contract change control entails ensuring that contract changes are properly approved and that everyone who needs to know is made aware of such changes. PMI 1996, Page 132.)
236. C (Any significant change in project scope, direction, or methodology will require changes to the project plan. Meredith and Mantel 2000, 232 and 233)
237. D (The review at the end of a project phase is called a phase exit, stage gate, or kill point. The purpose of this review is to determine whether the project should continue to the next phase, to detect and correct errors while they are still manageable, and to ensure that the project remains focused on the business need it was undertaken to address. PMI1996, 11 and 28; PMI2000, 11 and 30)
238. –

239. B

240. C

(You should try this problem task wise, i.e. calculate each task separately so:

$$\text{Task One} = 5 / (5/6) = 6$$

$$\text{Task Two} = 6 / (4/8) = 12$$

$$\text{Task Three} = 4 / (1/1) = 4$$

$$\text{Task Four} = 4 \text{ (LumpSum)}$$

$$\text{Total} = 26$$

Then it seems that Budgeted Cost means "the total task budgeted cost at completion" while BCWS is for the work scheduled to date, i.e. tasks 2, 3 & 4 not yet completed, only # 1 is completed where budgeted cost = BCWP.

# Question Set 7

Total Questions: 200

**1. Which of the following is not the feature of a project?**

1. Constrained by limited resources
2. Planned, executed and controlled
3. Creates unique product or service
4. May be ongoing and repetitive

**2. In an automobile company for which you are the project manager, the allowable standard deviation for a product required from the contractor is within 0.002. inches. However, while examining the product, you find out that the standard deviation is slightly more than 0.002. inches. You believe that the deviation is very small and hence, acceptable. In this case you must:**

1. Allow the product because it is a very small deviation from the company standard which you think is acceptable.
2. Document the lower quality level, ask the contractor for explanation and try to find a solution
3. Reject the product outright
4. Allow the lower standard this time but inform the contractor to be more quality conscious going forward

**3. All these statements about project charter are correct except:**

1. Project charter includes or references the business need and product description
2. Project Charter provides authority to the project manager
3. Project charter formally authorizes a project
4. Project charter is issued by the project sponsor

**4. All the following are tools for cost estimating except:**

1. Analogous Estimating
2. Parametric Modeling
3. Computerized tools
4. Alternatives Identification

**5. All the following are tools and techniques for organization planning except:**

1. Templates
2. Human Resource Practices
3. Organizational Theory
4. Reward and Recognition Systems

**6. In your project, you are creating a diagram that describes the decision under consideration and implications of choosing one or another of the available alternatives. This will help in:**

1. Getting a Qualitative Analysis of the risk
2. Determining which risks can impact the project the most

- 3 Translating the uncertainties at a detailed level into potential impact on objectives expressed at the level of the total project
- 4 Determining which decision yields the greatest expected value

**7. You are considering whether to buy or make a software product.**

**If you buy, the cost is \$ 80,000 and the cost of procurement and integrating in your company is \$ 1000**

**If you want to build yourself, the product will require 7 software engineers working 3 months. Salary of each software engineer is \$ 4,000 per month. The overhead costs apportioned to the project will be \$ 2,000.**

**Which option will you choose?**

- 1 Buy
- 2 Build
- 3 Neither build nor buy
- 4 Need more information about the suppliers before making a decision

**8. In your project, you have designated a group of people to monitor changes to the project baselines, manage the approvals and do the necessary paperwork. These are examples of**

- 1 Configuration Management
- 2 Change Control System
- 3 Risk management
- 4 Project plan execution

**9. When referring to inputs for schedule development, responsibility (i.e. who will perform the work), activity type (i.e. summary or detailed) and WBS classification are part of:**

- 1 Constraints
- 2 Activity Attributes
- 3 Resource Pool Description
- 4 Activity duration Estimates

**10. For doing Quality Planning, you are going to use Design of Experiments to determine which factors might influence specific variables. What variable(s) can be used in your analysis?**

- 1 Dollars
- 2 Kilograms
- 3 Weight
- 4 Pounds

**11. In your last project status meeting, you had 15 team members. The meeting was very disorderly - there were too many sidebar conversations and arguments. As a result, you achieved nothing substantial from the meeting. In order to better regulate the meeting next time, you should:**

- 1 Decrease the number of people in one meeting
- 2 Publish a meeting agenda
- 3 Ensure that you control the channels of communication
- 4 Give incentives to team members for conforming to desired norms of the meeting

**12. In a Weak Matrix organization, the role of a project manager is that of a:**

- 1 coordinator and expeditor
- 2 project manager with considerable authority
- 3 support person
- 4 functional manager

**13. In your new company, you realize that some of the financial statements of the company do not follow US GAAP Accounting Standards and are hence inaccurate. In this case, what should you do first?**

- 1 Inform the US government agencies of the inaccurate accounting practices in the company
- 2 Talk to your finance managers about why you think that they may be violating the standard accounting standards
- 3 Since you are new to the company, you assume that finance standards are different in the company - hence do not do anything about the issue
- 4 Talk with finance manager in your previous company to get expert opinion about accounting standards in the new company

**14. In your project, a team member suggested the addition of a functionality to improve customer satisfaction. Your approach would be to:**

- 1 Allow for the functionality because satisfying the customer is your objective.
- 2 Do not allow for the new requirement, because it will be a change in scope, and the customer did not explicitly mention the requirement.
- 3 Make changes to the project plan to accommodate the new requirement
- 4 Ask the customer for additional funding for implementing the requirement

**15. In your construction project, the CPI is 1.30 and SPI is 0.85. What could be the potential reason ?**

- 1 A critical resource went on sick leave for a long period of time, and this had not been anticipated earlier.
- 2 The cost of raw materials required for construction increased 10%
- 3 You had not taken into account inflation rate.
- 4 There were 4 days of waiting time in the curing of cement, and no work could be done during that time.

**16. Team Development is a very critical component of Human Resource Management. All the following are inputs to Team Development except:**

- 1 Project Plan
- 2 Project Staff
- 3 Staffing pool description
- 4 Performance Report

**17. You have just completed Qualitative Risk Analysis of the project. What should you be doing next?**

- 1 Sensitivity Analysis
- 2 Risk Probability and Impact
- 3 Data Precision Ranking
- 4 Brainstorming

**18. If a project needs to be terminated early, then you will have to do :**

- 1 Procurement Planning
- 2 Contract Administration
- 3 Contract Closeout
- 4 Source Selection

**19. You are the Project Manager for a company doing research on alternative fuels for automobiles. In your project, which of the following is a valid assumption:**

- 1 Cost of the project is \$ 5 Million
- 2 The project scope is to develop alternative fuels only for automobile vehicles weighing less than 10 tons.
- 3 Gasoline fuels will become very expensive and less readily available after 10 years
- 4 The project has to be completed within 2 years

**20. Your project will most likely be completed in 10 weeks. Worst case scenario, the project will require 19 weeks, and if everything goes well the project will be completed in 7 weeks. What is the PERT estimate for the task?**

- 1 10 weeks
- 2 11 weeks
- 3 9 weeks
- 4 Cannot be determined with the information provided

**21. Quality control involves monitoring specific project results to determine if they comply with relevant quality standards. To evaluate Quality Control outputs, the project team should have a working knowledge of:**

- 1 Prevention and Inspection
- 2 Sampling and Probability



- 3 Special Causes and Random Causes
- 4 Tolerances and Control Limits

**22. In a sender-receiver model, all the following are true except:**

- 1 Sender is responsible for making information clear, unambiguous and complete
- 2 Sender confirms that information is understood
- 3 Receiver is responsible for making sure that the information is completely received and understood
- 4 All the statement above are true

**23. Preparing the Financial plan for your project will require:**

- 1 Project Management skills
- 2 Industry specific skills
- 3 Financial Subject Matter Expertise
- 4 Both Project Management and Industry specific skills

**24. All the following are responsibilities of a certified PMP EXCEPT:**

- 1 Ensure that there is no conflict of interest that can compromise the legitimate interests of a client or customer
- 2 Ensure that the technical specifications are appropriately defined
- 3 Disseminate PMP Code of Professional Conduct to other PMI certificants.
- 4 Cooperate with PMI concerning ethics violation and the collection of related information

**25. Work Breakdown Structure is:**

- 1 Developed in the Scope Planning Phase
- 2 A deliverable oriented grouping of project components.
- 3 Similar to the chart of accounts
- 4 Depicts work elements assigned to different organizational units

**26. In a project, you are presented with following four options. Which project should you select?**

- 1 Project A with Opportunity Cost of \$ 100,000
- 2 Project B with Benefit-Cost Ratio of 0.75
- 3 Project C with IRR of -2%
- 4 Project D with NPV of \$ 100,000

**27. What is the factor which will help a project manager gain the maximum support of the assigned project personnel?**

- 1 Expertise of the project manager
- 2 Work Challenge
- 3 Ability of the project manager to penalize team members
- 4 Ability of project manager to provide promotions to team members depending on their abilities

**28. Risk Management Plan may include:**

- 1 Budgeting, Timing, Thresholds, Methodology
- 2 Risks, Triggers, Inputs to other processes
- 3 Avoided, Transferred, Mitigated and Accepted Risks
- 4 Risk Response Audits, Earned Value Analysis, Technical Performance Measurement

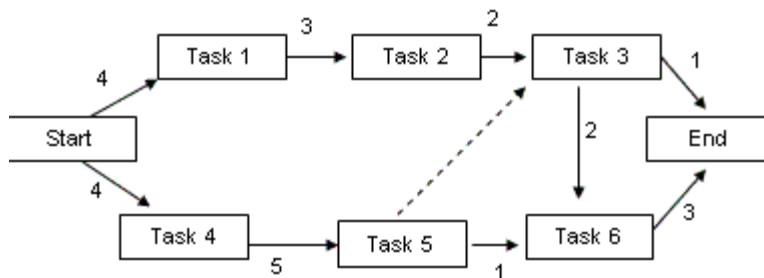
**29. Contract Negotiation is carried out as part of :**

- 1 Solicitation Planning
- 2 Solicitation
- 3 Source Selection
- 4 Contract Administration

**30. You are the Project Manager for a construction project. Your job requires that you sanction work to others and ensure that the work is done at the right time. The tool you use is:**

- 1 Work Authorization System
- 2 Project Scheduling Techniques
- 3 Project Plan
- 4 Network Diagram

**31. Please refer to the diagram given below: (all units are in days)**



What is the project float if management wants to do this project within 10 days?

- 1 0 days
- 2 - 4 days

- 3 2 days
- 4 Cannot be determined because information in the question is inconsistent

**32. Determining and delivering the required levels of quality is the responsibility of:**

- 1 Project Sponsor
- 2 Project Manager / Project Management Team
- 3 Project Team
- 4 All Stakeholders in the project

**33. After project is completed, a complete set of indexed project records should be put in:**

- 1 Project Archives
- 2 Project Records
- 3 Project Database
- 4 Project Reports

**34. Which of the following statement(s) about project customer and project sponsor is(are) correct?**

- 1 Along with the customer, the sponsor threshold for risks should be taken into account
- 2 Along with the customer, this sponsor may provide key events, milestones, and deliverable due dates
- 3 Along with the customer, the sponsor formally accepts the product of the project.
- 4 All of the above.

**35. You are the project manager for a sewage treatment plant. The government has mandated that you have to ensure that the sewage plant will not adversely impact the neighborhood. From a project perspective, this is a(an):**

- 1 Assumption
- 2 Constraint
- 3 Best Practice
- 4 Deliverable

**36. There has been a change to the scope of your project, which may adversely impact the project schedules and cost. You have updated the technical and planning documents, and now you are required to:**

- 1 Create an Impact Request Statement
- 2 Notify stakeholders
- 3 Request for additional funds from the project sponsor.
- 4 Make changes to the Risk Management Plan

**37. Project cost management must consider the effect of project decisions on the cost of the product created by the project. Your objective to reduce cost and time, improve quality**

**and performance, and optimize decision making can be facilitated using tools like: (select best answer)**

- 1 Value Engineering
- 2 Life Cycle Costing
- 3 Payback Period
- 4 Value Engineering and Life Cycle Costing

**38. As a project manager, you advocate active participation of your team members - this is because you believe in:**

- 1 Theory Y (McGregor Model)
- 2 Theory X (McGregor Model)
- 3 Maslow hierarchy of needs
- 4 Referent power

**39. You have a geographically dispersed team, from whom you would like to get expert opinion about your project. Which information gathering technique should you use:**

- 1 Brainstorming
- 2 Delphi Technique
- 3 SWOT Analysis
- 4 Checklists

**40. Receipt of bids or proposals and application of the evaluation criteria to select a provider should be done as part of :**

- 1 Procurement Planning
- 2 Solicitation
- 3 Solicitation Planning
- 4 Source Selection

**41. A project Manager has to manage conflict in an organization. All the following could be sources of conflict in an organization except:**

- 1 Weak Matrix Structure with multiple managers to report to.
- 2 Low position in the organization hierarchy
- 3 Roles that are not well defined.
- 4 Work pressure and high stress.

**42. Please refer to the figure below:**

	Optimistic	Pessimistic	Most Likely
Task A	5	9	7
Task B	8	14	10
Task C	4	7	5

**If these three tasks (i.e. TaskA, TaskB, TaskC) are part of critical path of one project, what is the PERT Estimate for the duration of the project?**

- 1 22.5
- 2 10.33
- 3 32
- 4 5.17

**43. To identify which quality standards are relevant to a project, and determine how to satisfy them, you will do:**

- 1 Quality Assurance
- 2 Quality Planning
- 3 Quality Control
- 4 Quality Management

**44. All the following statements relating to communication management are correct EXCEPT:**

- 1 Communication Planning involves determining the information and communication needs of the stakeholders
- 2 Communicating is the most critical skill that a project manager should possess
- 3 Project Managers spend as more than 85% of their time communicating
- 4 To be effective, a Project Manager should control all communications

**45. As a Project Manager for a construction company, you are responsible for Scope Definition, Activity Definition, Schedule Development and Cost Budgeting. These responsibilities are performed as part of :**

- 1 Closing
- 2 Concept
- 3 Planning
- 4 Execution

**46. You have been informed by the project sponsor that there has been a revaluation of projects within your company and your project will not be getting any additional funding. In this case, you should:**

- 1 Stop Work Immediately and release all resources
- 2 Perform Administrative Closure
- 3 Decrease team size
- 4 Remove non-critical tasks to decrease cost

**47. A Work Breakdown Structure numbering system**

- 1 Determines the complexity of the project
- 2 Determines the level at which individual WBS elements are found
- 3 Helps in automating the WBS using appropriate software
- 4 Presents justification for the project

**48. All the following statements relating to Cost Management Plan are accurate except:**

- 1 It describes how cost variances will be managed
- 2 May be formal or informal, highly detailed or broadly framed
- 3 It is a subsidiary element of the project plan
- 4 It specifies preferred tool to be used for cost estimating

**49. An organization chart which shows the organizational units responsible for specific work packages is also called :**

- 1 Organizational breakdown structure
- 2 Staffing plan
- 3 Responsibilities Assignment Matrix
- 4 Organization Plan

**50. You are in the build phase of the project. But it has run into several unanticipated problems. Several risks have surfaced which you had not anticipated earlier. The project is over-budget and behind schedule. What should you do?**

- 1 Create updates to risk response plan
- 2 Create a revised project plan
- 3 Perform risk response audits
- 4 Perform updated risk identification and analysis

**51. A contract where the buyer reimburses the seller for the cost incurred by the seller, and also provides for a fixed amount of profit is also called:**

- 1 Cost Plus Incentive Fee
- 2 Cost Plus Fixed Fee
- 3 Time and Material Contract
- 4 Cost Plus Percentage of cost

**52. All the following are true about Project Plan Execution except:**

- 1 Vast majority of the project budget will be expended in Project Plan Execution
- 2 Project Manager and her team coordinate the various technical and organizational interfaces
- 3 Product of the project is created
- 4 Care is taken to ensure that changes to the product scope are reflected in the project scope

**53. Please refer to the chart given below, which shows the time estimates for different tasks:**

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

**What is the impact on the project if task 1->2 takes 2 months more than what was earlier planned? (choose best answer)**

- 1 The duration of the project will increase by 1 month
- 2 The risk in the project will increase
- 3 The duration of the project will increase by 2 months
- 4 The project float will increase by 2 months

**54. Quality function Deployment is a tool used to:**

- 1 Identify all the alternatives for the project.
- 2 Develop a better understanding of the product of the project.
- 3 Determine total cost of all efforts to achieve product/project quality
- 4 Provide confidence that the project will satisfy relevant standards.

**55. You have completed the Information Distribution Process and are now in a position to make needed information available to project stakeholders in a timely manner. All the following could be outputs from Information Distribution EXCEPT:**

- 1 Project Records
- 2 Project Reports

- 3 Project Presentations
- 4 Performance Reports

**56. Which statement describing attributes of the Project Manager is incorrect?**

- 1 General Management Skills (e.g. Leading, Communicating, Negotiating, Problem Solving and Influencing the Organization) provide much of the foundation for building project management skills
- 2 In projects, the Project Manager is expected to be a leader and be involved with Establishing Direction, Aligning people, Motivating and Inspiring
- 3 If required, the Project Manager may try to use politics through power struggles or organizational games
- 4 Project Manager must be aware of and plan for Social-Economic Environmental influences including Standards and Regulations, Internationalization, Cultural Influences and Social-Economic Environmental Sustainability

**57. The CPI of a project is 0.8, and you have limited budget - you are trying to procure a product from the supplier, in this situation you should:**

- 1 Ask the supplier to provide a product of slightly lower quality since it will cost less
- 2 Try to find out innovative means to lower costs
- 3 Remove non-critical tasks from the project schedule
- 4 Try to crash the project - decreasing project schedule will decrease the costs

**58. Which statement relating to Scope Verification and Quality control is correct?**

- 1 Scope Verification is concerned with correctness of the work results while quality control is primarily concerned with acceptance of the work results.
- 2 Scope Verification is concerned with acceptance of the work results while quality control is primarily concerned with correctness of the work results.
- 3 Both are similar
- 4 Scope Verification and Quality Control are performed sequentially and supplement each other

**59. All the following statements about Cost Baseline are correct EXCEPT:**

- 1 It is a time phased budget
- 2 To measure disbursements, a spending plan can be used as a cost-baseline
- 3 It is used to measure and monitor project performance
- 4 All projects have one cost baseline

**60. Two project members have been having some disagreement about the best way to handle a problem. You ask both the team members to look at the positives and negatives of both their approaches, and give you their recommendation. Which of the following conflict resolution techniques did you use?**



- 1 Smoothing
- 2 Compromising
- 3 Confrontation
- 4 Withdrawal

**61. While doing risk response planning, you realize that there is a very critical risk which may have a high impact on the project completion. So, you create a fallback plan which could include any of the following conditions EXCEPT:**

- 1 Subcontracting the project to an outside Vendor
- 2 Developing Alternative Options
- 3 Allocation of Contingency Reserves
- 4 Changing project scope

**62. In a Lump-sum contract, the profit is:**

- 1 Determined by the buyer during contract sign-off
- 2 Determined by the seller during contract sign-off
- 3 Provided by the buyer to the seller at end of project if defined performance criteria are met
- 4 Not known at time of the contract sign-off

**63. The total project scope is:**

- 1 Defined in the project baseline
- 2 Sum of all the integrated management control plans
- 3 Sum of the total product scope
- 4 Constant throughout lifecycle of the project

**64. All the following are advantages of GERT (Graphical Evaluation and Review Techniques) as compared with PERT (Project Evaluation and Review Technique) except:**

- 1 Allows looping
- 2 Allows for dummy tasks
- 3 Allows branching
- 4 Allows multiple project end results

**65. Which of the following is not an input to the Quality Control Process?**

- 1 Work Results
- 2 Operational Definitions
- 3 Checklists
- 4 Standard and Regulations

**66. All the following are tools and techniques for performance reporting EXCEPT**

- 1 Performance Reviews
- 2 Trend Analysis
- 3 Earned Value Analysis
- 4 Project Reports

**67. As a project manager, you realize that handling Project Stakeholder expectations is an important priority. Which statement regarding project stakeholders is not correct?**

- 1 Some key stakeholders include Project Manager, Performing organization, Project team members, Customer and Sponsor.
- 2 Project stakeholders can be categorized as internal and external, sellers and contractors, individual citizens, government agencies and media outlets etc.
- 3 Stakeholder expectations may be difficult to manage because stakeholders often have conflicting objectives.
- 4 Stakeholders are individuals and organizations whose interests are only positively affected by the project.

**68. A project manager disclosed some crucial information to a prospective seller. Which code of professional conduct did he violate?**

- 1 Maintain and satisfy the scope and objectives
- 2 Prevent conflict of interest
- 3 Provide accurate and truthful representations
- 4 Refrain from offering or accepting inappropriate payments, gifts etc.

**69. When a project is initiated, one of the first deliverables from the project initiation phase is:**

- 1 Project Charter
- 2 Scope Statement
- 3 Project Plan
- 4 Scope Management Plan

**70. All the following statements related to Benefit Cost Ratio (BCR) are correct Except:**

- 1 Projects with  $BCR > 1$  should be considered for selection
- 2 BCR is the ratio of payback to costs
- 3 If two projects have positive BCR, select project with higher BCR
- 4 For any project, Benefits = Profits

**71. Maximum intensity of conflicts occur over:**

- 1 Priorities
- 2 Schedules

- 3 Personality Conflict
- 4 Cost

**72. Risks because of implementing a risk response are called:**

- 1 Unidentifiable Risks
- 2 Residual Risks
- 3 Secondary Risks
- 4 Accepted Risks

**73. Contract Administration is the process of ensuring that the seller's performance meets contractual agreements. All the following will facilitate Contract Administration EXCEPT**

- 1 Contract
- 2 Work Results
- 3 Change Requests
- 4 Evaluation Criteria

**74. You are the Project Manager for an aircraft manufacturing company developing a new range of supersonic fighter planes. Since government funding is essential for your project, you hire a lobbying firm to get Government support for funding your project. This is an example of:**

- 1 Integrated Change Control
- 2 Risk Management
- 3 Cost Management
- 4 Project Planning Methodology

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

- 1 Provide documented evidence of the scope of work
- 2 Ensure that the team members understand how the work is to be done.
- 3 Provide as a reminder to the project manager
- 4 Help in creation of technical documentation during the project life cycle

**76. All the following statements related to Just In Time Manufacturing are correct except:**

- 1 It stresses Waste Reduction
- 2 Eliminates costs related to material handling, storage, paperwork and inspection.
- 3 Stresses short term relationships with suppliers that last until the delivery is received.
- 4 Reduces inventory to zero

**77. Some common formats of performance reports are:**

- 1 S Curves, Histograms, Pareto Diagrams
- 2 S Curves, Responsibility Assignment Matrices ,Histograms
- 3 Bar charts, S Curves, Histograms
- 4 Bar charts, Control Charts, Histograms

**78. As a project Manager, Problem solving is high in your list of priorities. Which statement about Problem Solving is not accurate?**

- 1 Problem solving involves a combination of problem definition and decision-making
- 2 Problems may be technical, managerial or interpersonal.
- 3 Decision Making includes analyzing the problem to identify viable solutions, and then making a choice from among them
- 4 You should try to solve a problem as soon as it is identified

**79. You are aware that an employee in your project may potentially get a promotion - however, there is a possibility that he may get transferred after his promotion, thus impacting your project. In this situation, you should:**

- 1 Give a bad recommendation about the person so as to delay the promotion of the person until project is over
- 2 Inform the employee about the potential promotion, and ask him to transition his responsibilities to another person
- 3 After the employee gets the promotion and is told of the transfer, you ask him to prepare a transition plan
- 4 Hire another resource who can replace the person after he gets the promotion

**80. One of your tasks as a project manager is to prepare a Scope Statement for your project. The scope statement provides:**

- 1 Authorization to the project manager to use organizational resources for project activities.
- 2 Documentation of how the project scope will be managed and how scope changes will be integrated into the project.
- 3 Definition for Work Breakdown structure
- 4 A documented basis for making future project decisions and for confirming or developing common understanding of the project scope among stakeholders.

**81. In your project, there have been several changes in the cost and schedule estimates and the original estimating assumptions are no longer valid. What is the Estimate at Complete for your project?**

**BAC = \$ 300,000  
AC = \$ 100,000  
EV = \$ 150,000  
CPI = \$ 1.2  
ETC = \$ 120,000**

- 1 \$ 250,000
- 2 \$ 220,000
- 3 \$ 280,000
- 4 \$ 300,000

**82. All direct or indirect training costs should generally be the responsibility of the:**

- 1 Program Office of the Project
- 2 Project budget (hence paid from the project sizing)
- 3 Performing organization
- 4 Project Sponsor and Business partner

**83. Technique used to evaluate the degree to which the data about risks is useful for risk management is also called:**

- 1 Risk Probability and Impact
- 2 Project Assumptions Testing
- 3 Data Precision Ranking
- 4 Sensitivity Analysis

**84. The main objective of providing incentives in contracts is to:**

- 1 Align the goals of the buyer and seller
- 2 Ensure that there is no gold plating
- 3 Reduce cost for the buyer
- 4 Improve profits for the seller

**85. The organization of the project is very important for successful implementation. Which factor does not have an impact of design of the project organization?**

- 1 Environmental Forces
- 2 Schedule Limitations
- 3 Strategic Choices
- 4 Technological Factors

**86. Which of the following is an output from Cost Control?**

- 1 Revised Cost Estimates
- 2 Cost Baseline
- 3 Cost Estimates
- 4 Resource Requirements

**87. According to Herzbergs theory, all the following are motivating agents except:**

- 1 Recognition
- 2 Responsibility
- 3 Advancement in career
- 4 Salary

**88. Unplanned responses to emerging risks that were earlier accepted is also called a(an)**

- 1 Corrective Action
- 2 Workaround
- 3 Update to risk response plan
- 4 Update to risk identification checklist

**89. Which is the best thing to do during the Source Selection process?**

- 1 Determine whether a product should be outsourced or manufactured in-house
- 2 Ensure that prospective sellers clearly understand the technical and contract requirements
- 3 Place advertisements in publications
- 4 Prepare an independent estimate to check the proposed price of the different sellers

**90. As the Project Manager of an IT project, you are in the process of creating the project plan. You have been looking at information related to similar projects and have identified assumptions and constraints. What Tools will you use to define the project plan?**

- 1 General Management Skills, Product skills and knowledge, Work Authorization System
- 2 Status review meetings and Organization Procedures
- 3 Project Planning methodology, Earned Value Management and Stakeholder Skills and knowledge
- 4 All the above

**91. The objective of duration compression includes all the following except:**

- 1 Shorten the project schedule without impacting scope
- 2 Do compression of tasks for the least incremental cost
- 3 Do simulation to calculate distribution of probable reasons for the whole project
- 4 Do activities in parallel which would normally be done sequentially

**92. Benchmarking is a common tool used for:**

- 1 Design of Experiments
- 2 Quality Planning
- 3 Quality Control
- 4 Quality Assurance

**93. You joined the company recently as a Project Manager. To familiarize you with the company policies and best practices, you are teamed up with another project manager in the company through the "Buddy System." The communication between both of you will be:**

- 1 Written
- 2 Oral
- 3 Formal
- 4 Horizontal

**94. Which of the following is not a characteristic of the Project Life Cycle?**

- 1 Risk and uncertainty is highest at start of the project.
- 2 Ability of the stakeholders to influence final characteristics of the projects product increases as the project continues.
- 3 The project life cycle definition determines which transitional actions at the beginning and end of the project are included - so, the project life cycle definition can be a link to the ongoing operations of the performing organization.
- 4 Cost and staffing levels are low at the start, higher towards the end and drop rapidly as the project draws to a conclusion.

**95. There have been too many disagreements within two team-members in your project regarding the design of a particular product. You would like to incorporate the best features of the two designs - and want to create an environment that avoids conflicts and emphasis similarities. The conflict-handling mode you would like to emphasize is:**

1. Smoothing
2. Compromising
3. Confrontation
4. Withdrawal

**96. Product Reviews, Audits and walk-throughs are performed as part of which process?**

1. Scope Planning
2. Scope Verification
3. Scope Change Control
4. Scope Initiation

**97. If cost variance is negative, but schedule variance is positive, then this indicates:**

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

**98. All the following tools and techniques can be used for staff acquisition except:**

1. Negotiations
2. Contractual agreements with unions or other employee groups
3. Preassignment of staff through a competitive proposal

4. Staff assignment as defined in the project charter

**99. All the following statements relating to transferring of risk to a contractor are true EXCEPT:**

1. Transferring risk requires payment of a risk premium
2. Fixed price contracts transfer risk to the seller if the design is unstable
3. Cost reimbursable contract leaves more of the risk with the customer or sponsor
4. Cost reimbursable contract helps reduce cost if there are mid-project changes

**100. In a fixed price contract, the buyer decides to increase the scope of the work to make the product better. In this case the buyer can do all the following except:**

1. Issue a Contract Change Request
2. Start another Fixed Price contract to do the additional work
3. Start another Cost Reimbursable contract to do the additional work
4. Cancel the existing contract, and start a new contract

**101. Which of the following statements relating to Assumptions is inaccurate?**

1. They are factors which are considered to be true, real or certain.
2. They affect all aspects of project planning,
3. They are progressively elaborated
4. They limit the project team's options

**102. Since you are in the preliminary stages of your project, you estimate that your project will most probably last 1. year - however, optimistic scenario is that it will get over within 6 months and pessimistic scenario is 1.8 months. This kind of estimate is also called:**

1. Definitive
2. Capital Cost
3. Order of Magnitude
4. Feasibility

**103. The main objective of a Control Chart is to :**

1. Determine if a process is "in control"
2. Determine whether results conform to requirements
3. Solve the most critical problems first
4. Help analyze how problems occur

**104. Confirmation that the project has met all customer requirements for the product of the project is provided as part of:**



1. Quality Assurance
2. Administrative Closure
3. Project Closure
4. Performance Reporting

**105. Which statement relating to Core Processes and Facilitating Processes is true?**

1. Core processes are mandatory but Facilitating processes may be optional.
2. Unlike Facilitating processes, core processes have clear dependencies and are performed in same order in most projects.
3. Unlike Facilitating processes, interactions between Core processes vary depending on the type of project.
4. Core planning processes go through only one iteration, but facilitating processes may undergo multiple iterations.

**106. During an informal discussion you had with another PMP, he mentioned about how he was able to sit for the PMP Certification Exam 3. years ago through using false contact hour certificates. You should:**

1. Report this to PMI
2. Report this to the your manager
3. Do nothing since he is a colleague
4. Do nothing since he had taken the PMP Exam three years ago, and contact hour certificates get audited only for one year

**107. Your company is constructing a dam and your project (which is being performed under a contract) mandates that you should be paying compensation to any person displaced because of the project. What kind of constraint is this?**

1. Social
2. Legal
3. Environmental
4. Humanity

**108. A chart of accounts is use to:**

1. Report financial information in the ledger
2. Identify potential risks
3. Facilitate Activity duration estimating
4. Update Project Files

**109. What is the foundation for team development?**

1. Team Building exercises
2. Individual development

3. Appropriate Conflict Management and Resolution
4. Performance Reporting and Evaluation

**110. Which of the following are Information Gathering Techniques required for Risk Identification?**

1. Brainstorming, Delphi Technique, SWOT Analysis
2. Brainstorming, Cause and Effect Diagrams, Influence Diagrams
3. Delphi Technique, SWOT Analysis, Influence Diagrams
4. SWOT Analysis, Cause and Effect Diagrams, Influence Diagrams

**111. All the following are outputs from Solicitation Planning except:**

1. Proposals
2. Procurement Documents
3. Evaluation Criteria
4. Statement of Work Updates

**112. In the contract for your project, the time schedules and deliverables in each phase are clearly specified. From a project perspective, this is a(an) :**

1. Risk
2. Assumption
3. Constraint
4. Issue

**113. In schedule development, mathematical analysis often produces a preliminary early-start schedule that shows peaks and valleys in the resource requirements. Resource Leveling done to take care of this issue may result in all the following except:**

1. Increase in project duration
2. Utilization of weekends, extended hours or multiple shifts
3. Productivity increases by using different technologies and/or methodologies
4. Reduction in project cost

**114. In your project, you are trying to identify lessons learned that can improve performance of the project or other projects within the performing organization. You are in the process of doing a (an):**

1. Inspection
2. Quality Improvement
3. Quality Audit
4. Trend Analysis

**115. All the following are conflict resolution modes except:**

1. Collaborating
2. Smoothing
3. Avoiding
4. Directing

**116. You are one of ten full-time project managers in your organization. You all share two administrative persons. There are generally 3.0 - 4.0 projects per year that involve about 3.0% of the organization employees - however, these employees do not report to you. Your organization can best be classified as:**

1. Projectized
2. Balanced
3. Strong Matrix
4. Weak Matrix

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

1. Pay the fee to the government agencies
2. Refuse to pay the fee because they are bribes and hence unethical
3. Make a case for why fees should be paid to government agencies, and present it to your management
4. Instead of paying the fee, you provide small gifts to government officials to get their support

**118. For a project to be successful, what is the primary requirement?**

1. Customer Satisfaction
2. Exceeding Customer Requirements
3. Meeting the cost and schedule estimates
4. Satisfying the requirements of the project sponsor

**119. If there is a change to the approved cost baseline, the project manager must:**

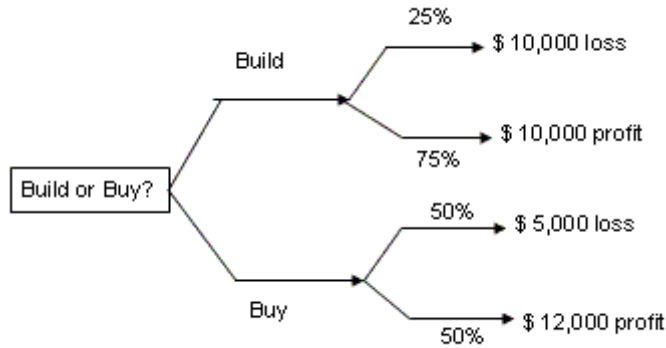
1. Issue a Budget Update
2. Perform Rebaselining
3. Issue a Revised Cost Estimate
4. Take Corrective Action

**120. The main reason to plan team building activities (e.g. regular status review meeting, off-site team meets etc.) is to :**

1. Resolve outstanding technical issues
2. Improve Team performance
3. Improve individual morale

4. Relax and get away from the stress of work

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



**What should the project Manager recommend?**

- 1 Build
- 2 Buy
- 3 Either Build or Buy
- 4 Project Manager should recommend a Sensitivity Analysis before making a build/buy decision

**122. While obtaining responses from prospective sellers, you mention that you will "Require certified PMPs as project managers for the project." This is an example of:**

1. Objective Evaluation Criteria
2. Subjective Evaluation Criteria
3. Procurement Documents
4. Statement of Work

**123. Which of the following statement about Project Planning Methodology is not accurate?**

1. Project planning methodology may require soft tools like facilitated startup meetings
2. Project planning methodology may require hard tools like Project Management software
3. The project planning methodology may include standard forms and templates, or simulations.
4. Project Planning methodology includes tools and techniques to gather, integrate and disseminate the outputs of project management process

**124. Please refer to the chart given below:**

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

**What is the length of the critical path?**

- 1 12
- 2 10
- 3 11
- 4 14

**125. Modern Quality Management means:**

- 1. Meeting or exceeding customer expectations
- 2. Conformance to requirements and fitness for use
- 3. Decreasing total cost of ownership of the project
- 4. None of the above

**126. Providing information to stakeholders to inform them how resources are being used to achieve project objectives is done as part of :**

- 1. Communication Planning
- 2. Information Distribution
- 3. Performance Reporting
- 4. Administrative Closure

**127. You are responsible for launch operations of different NASA satellites. Your role is that of a:**

- 1. Project Manager
- 2. Project Office
- 3. Program Manager
- 4. Functional Manager

**128. While implementing your project, a team member brings to your notice, a risk that was not mentioned in the Risk Response Plan. In this case, you should:**

1. Accept the risk
2. Perform Additional Risk Response Planning to control the risk
3. Inform the project sponsor
4. Use project contingency

**129. Projects can be authorized for all the following reasons except:**

1. Market Demand
2. Business Need
3. Legal Requirement
4. Keeping the Project Manager busy

**130. Physical Work Actually accomplished is also called**

1. Planned Value
2. Earned Value
3. Actual Cost
4. Budgeted Cost for Work Scheduled (BCWS)

**131. All the following refer to power derived by the position of the Project Manager in the organization except:**

1. Penalty
2. Expert
3. Legitimate
4. Reward

**132. Reducing scope, adding resources and using familiar approaches are all examples of:**

1. Risk Avoidance
2. Risk Transfer
3. Risk Mitigation
4. Risk Acceptance

**133. A Work Breakdown Structure can be used for all the following except:**

1. Tracking project performance against cost and schedule
2. Creating a network diagram, with task dependencies
3. Creating a project schedule
4. Assigning resources to work on different work elements

**134. If you are calculating one early start and early finish for each task, you are using: (choose best answer)**

1. PERT
2. CPM
3. GERT
4. PDM

**135. In a matrix organization, the team members are responsible to both the functional manager and project manager. Effective management of this dual relationship is a challenge and should be the responsibility of the:**

1. Project Manager
2. Program Manager
3. Functional Manager
4. Sponsor

**136. As a Project Manager, you have to manage the project and lead the team in delivering a successful project. Managing is primarily concerned with:**

1. Consistently producing key results expected by stakeholders
2. Establishing direction
3. Motivating and inspiring
4. Aligning people

**137. All the following are examples of product documentation except:**

1. Plans
2. Scope Statement
3. Drawings
4. Specifications

**138. Which of the following is an input to Cost Estimating?**

1. Work Breakdown Structure
2. Cost Baseline
3. Resource Pool Descriptions
4. Performance Reports

**139. Risks and Triggers are outputs of:**

1. Risk Response Planning
2. Risk Monitoring and Control

3. Qualitative Risk Analysis
4. Risk Identification

**140. You are in the process of creating a project plan for the launch of a new drug. While creating the plan, your Finance Manager provided some insights about marketing the new drug which was very beneficial to you. This shows that:**

1. Every stakeholder has skills and knowledge that can be used in developing the project plan.
2. Functional groups like finance should always be involved in creation of project plans
3. Finance professionals usually have good knowledge of marketing concepts
4. None of the above

**141. An Activity has an Optimistic estimate of 1.0 days, pessimistic estimate of 1.6 days, most likely estimate of 1.3 days. What is the PERT Estimate for the task?**

1. 1.3 days
2. 1.0 days
3. 1.6 days
4. Cannot be determined with available information

**142. In your previous project, the project manager gave a lot of autonomy to the team members to do as they deemed fit. At times, this led to anarchy because the team members were not very sure of what needed to be done. The manager however followed a management style, which was:**

1. Directing
2. Laissez Faire
3. Delegating
4. Democratic

**143. As a Project Manager, you realize that it is very important to be a good leader. Leading involves all the following except:**

1. Consistently producing key results expected by stakeholders.
2. Establishing direction
3. Aligning people
4. Motivating and Inspiring

**144. Which of the following is not an Output of the Scope Initiation Process?**

1. Project Manager Identified
2. Project Charter
3. Scope Management Plan
4. Assumptions and Constraints



**145. In your construction project, the CPI is 0.85 and SPI is 1.25. What could be the potential reason ?**

1. A critical resource went on sick leave for a long period of time, which had not been anticipated earlier.
2. The cost of raw materials required for construction increased 1.0% - you had anticipated a cost increase of 1.2% in your project plans
3. Anticipating delays, the project had to be crashed to decrease duration
4. There was 4. days waiting time in the curing of cement, and work could not be done during that time.

**146. Which of the following statement about project phases and project life cycles is true?**

1. Similar Application Areas and Organizations have identical project life cycles.
2. Subprojects may have distinct project life cycles
3. Project life cycle does not define the beginning and end of a project
4. Project phases within a project life cycle are

**147. Creating Work Breakdown Structures (WBS) is very helpful in managing the project. The first step in creating a WBS is:**

1. Identifying the major deliverables for the project.
2. Determining the constituent components of the WBS.
3. Assigning responsibility for each task in the WBS.
4. Creating the cost and time estimates for each activity in the project.

**148. In your company, for making investment decisions, the senior management prefers to use a rate that equates present value of cash inflows with present value of cash outflows. This can also be called:**

- 1 Discount Rate
- 2 Benefit Cost Ratio
- 3 Internal Rate of Return
- 4 Net Present Value

**149. Project Managers have least power in which organization structure**

- 1 Matrix
- 2 Functional
- 3 Projectized
- 4 Balanced

**150. As a project manager of a construction company, you always prefer to do concrete curing during the weekend holiday, because no work can be done on the building for 2 days while the concrete curing is being done. This helps you decrease the:**

- 1 Waiting Time
- 2 Elapsed Time
- 3 Project Schedule
- 4 Critical Path

**151. In your software project, you have a programmer who constantly professes to know all about project management, and keeps challenging his superiors. The programmer is playing the role of a (an):**

- 1 Aggressor
- 2 Conflict Maxi miser
- 3 Devils advocate
- 4 Dominator

**152. Float is the amount of time an activity can be delayed without delaying the project finish date. It can also be called all the following except:**

- 1 Slack
- 2 Total Float
- 3 Path Float
- 4 Free Float

**153. All the following are examples of Constrained Optimization except:**

- 1 Economic Models
- 2 Multi Objective Programming
- 3 Decision Trees
- 4 Logical Framework Analysis

**154. All the following statements are true about Analogous Estimating except:**

- 1 Also called top-down estimating
- 2 Used to estimate total project costs without detailed information about project.
- 3 Use Mathematical Models to predict project costs
- 4 Actual cost of a previous small project is used for creating estimates

**155. Which of the following parameter will help in determining probability of getting a result?**

- 1 PERT Value
- 2 CPM
- 3 Standard Deviation

4 Variance

**156. Which of the following statement related to Standards and Regulations is not correct?**

- 1 Standard is a document approved by a recognized body - there can be multiple standards for one product.
- 2 Regulations are mandatory but Standards are not mandatory.
- 3 Standards after widespread adoption may become de facto regulations.
- 4 The influence of standards and regulations for a project is always known

**157. You are in the vendor management department of your company which sources computer hardware from companies. You recently went on an official trip to an Asian country to understand the business proposition of a potential vendor. The vendor took you out to lunch and gave you some gifts, as is customary in that country. You must:**

- 1 Tell the vendor that you cannot accept the gifts because of company policy
- 2 Accept the gift because it is a custom in that country, and also inform your manager
- 3 Return the gift because it could be construed as personal gain
- 4 Accept the gift because it is not very expensive

**158. Management by Objectives helps in all the following except:**

- 1 Aligning project goals with organization goals
- 2 Aligning project goals with the goals of other subunits of the organization
- 3 Aligning project goals with the goals of better professional responsibility of team members
- 4 Aligning project goals with individual goals

**159. If a property depreciates by the same amount every year, it is called:**

- 1 Sum of the Year Digits
- 2 Accelerated Depreciation
- 3 Straight Line Depreciation
- 4 Double Declining Balance

**160. In a project lifecycle, least number of conflicts occur over:**

- 1 Priorities
- 2 Schedules
- 3 Personality Conflict
- 4 Cost

**161. Risks that remain after avoidance, transfer and mitigation are also called:**

- 1 Unidentifiable Risks
- 2 Residual Risks
- 3 Secondary Risks
- 4 Accepted Risks

**162. An Activity has an Optimistic estimate of 10 days, pessimistic estimate of 16 days, most likely estimate of 13 days. Assuming a Normal Distribution, what is the probability that the task will be completed within 10 - 16 days:**

- 1 99.99 %
- 2 99.73 %
- 3 95.46 %
- 4 68.26%

**163. A WBS can be used for :**

- 1 Determining the project schedule
- 2 Developing common understanding of project scope
- 3 Getting approval of the scope of the project
- 4 Managing changes to the project scope

**164. There are three projects:**

**Project A has an investment of \$ 3,000,000 and NPV of \$ 300,000**

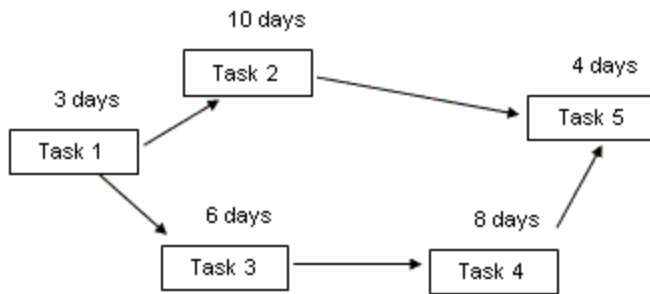
**Project B has an investment of \$ 2,000,000 payback period of 2 years and NPV of \$ 200,000**

**Project C has an investment of \$ 1,000,000 payback period of 2 years and NPV of \$ 100,000**

**Which project should be selected if Net Present Value criteria is used for selection?**

- 1 Project A
- 2 Project B
- 3 Project C
- 4 Project A, B or C can be selected because all of them have equal value

**165. Please refer to the diagram below:**



**Task1 -> Task3 -> Task4 -> Task5 is the critical path. What is the late Finish Date for Task2?**

- 1 15
- 2 17
- 3 13
- 4 3

**166. All the following statements about float are correct except:**

- 1 Float refers to amount of time an activity can be delayed from its early start without delaying the project finish date.
- 2 Float changes as the project progresses and as changes are made to the project plan
- 3 Float is the amount of time an activity can be delayed without delaying early start of any immediately following activity.
- 4 Float can also be referred to as Slack, Total Float or Path Float.

**167. Your project management software always allocates scarce resources to critical path activities. This rule can also be referred to as:**

- 1 A Heuristic
- 2 Fast Tracking
- 3 Crashing
- 4 Reverse Resource Allocation

**168 .Your project schedule has slipped by 2 weeks, and you have to take corrective action to bring the expected future schedule performance in line with the project plan. To identify the cause of the variation, corrective action will require:**

- 1 Root cause Analysis
- 2 Fast Tracking or Crashing the project
- 3 Documenting and analyzing the Lessons learned
- 4 Schedule updates to the existing schedule

**169. The project Network Diagram is an input to what process?**

- 1 Activity Duration Estimating
- 2 Activity Sequencing
- 3 Schedule Development
- 4 Schedule Control

**170. If the number of critical paths in the project increases, but the duration of the project remains same, what is the impact on the project?**

- 1 Crashing will be required to complete project on time.
- 2 Fast tracking will be required to complete project on time.
- 3 Risk of the project decreases
- 4 Risk of the project increases

**171. All the following are inputs to Activity Duration Estimating except:**

- 1 Constraints and Assumptions
- 2 Resource Requirements
- 3 Resource Capabilities
- 4 Mandatory and Discretionary Dependencies

**172. Which of the following techniques uses a weighted average duration estimate to calculate activity durations?**

- 1 PERT
- 2 CPM
- 3 GERT
- 4 Simulations

**173. The process of identifying which products or services can be procured outside the project organization is done as part of:**

- 1 Solicitation Planning
- 2 Solicitation
- 3 Procurement Planning
- 4 Contract Change Control

**174. In your construction project, you decide to make a small change to the height of a flyover. Small changes to the height of a flyover is mentioned in your change control system is a change that will allow for "automatic approval." In this case, you should:**

- 1 Submit your change request to the group responsible for approving or rejecting changes.
- 2 Since this is a small change, you go ahead and make the change without any documentation

- 3 Must mandatorily make changes to the cost and budget estimates
- 4 Document the change and go ahead with implementing the change because no approvals are required.

**175. An Activity has an Optimistic estimate of 10 days, pessimistic estimate of 16 days, most likely estimate of 13 days. If your company has a quality requirement of 6 sigma, what is the duration within which this task must be completed?**

- 1 10 days to 16 days
- 2 7 days to 19 days
- 3 12 days to 14 days
- 4 11 days to 15 days

**176. The project team has added some additional functionality which was not required as part of the project. However the customer is satisfied with the project. From a quality perspective,**

- 1 This is high quality because it exceeded customer expectations
- 2 This is not acceptable quality because gold plating was done which is not advisable
- 3 This will mean repeat business from the same customer.
- 4 None of the above

**177. To compare actual project results to planned or expected values, one must use:**

- 1 Trend Analysis
- 2 Performance Reviews
- 3 Information Distribution Tools and Techniques
- 4 Variance Analysis

**178. Which of the following Scope Management process involves breaking down a project into smaller manageable units?**

- 1 Initiation
- 2 Scope Planning
- 3 Scope Definition
- 4 Scope Verification

**179. A Project Manager must have good understanding of the mechanics of power and politics to be effective. As defined by Pfeffer, power includes all the following except:**

- 1 The potential to influence behavior
- 2 Potential to change the course of events and overcome resistance
- 3 Ability to get people to do things that they would not otherwise do
- 4 Ability to handle power struggles and organizational games

**180. Your project is close to completion, when you are informed by the customer that they would like to see an additional feature in the project. You realize that the feature was discussed with the project sponsor in an earlier meeting, and he categorically mentioned that he did not want this feature. What is the BEST course of action:**

- 1 Add the feature because it will improve customer satisfaction
- 2 Add the feature because otherwise, the project will not be accepted by the customer
- 3 Talk with the sponsor about the benefits of having this feature
- 4 Deny the customer request, and ask him to open a change request.

**181. As a project manager, you must formalize acceptance of the project scope and keep the project focused on the business need that it was undertaken to address. This should be done:**

- 1 At the beginning of the project
- 2 At the end of the project
- 3 When required by the Business Sponsor
- 4 After each phase of the project

**182. Quantitative assessment(s) of the likely costs of the resources required to complete project activities is(are) also referred to as:**

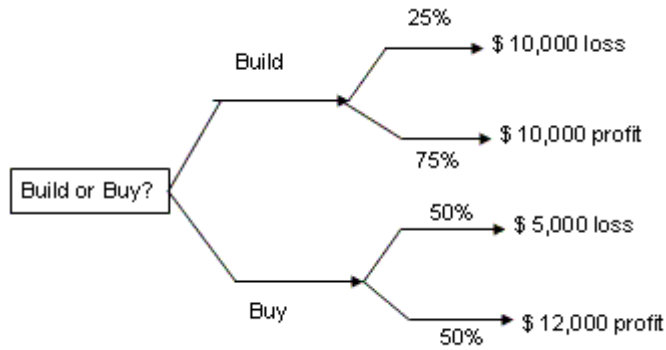
- 1 Activity Duration Estimates
- 2 Cost Estimates
- 3 Cost Management Plan
- 4 Bottom up Estimating

**183. As a project nears completion, you notice that the functional managers are more interested in trying to find a new position, rather than concentrating on their project work. Their motivation is:**

- 1 Safety
- 2 Social
- 3 Physiological
- 4 Self-esteem

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





**What is the opportunity cost if the project manager decides to build instead of buy**

- 1 - \$ 1,500
- 2 \$ 3,500
- 3 \$ 1,500
- 4 \$ 5,000

**185. Which of the following is an output from the Contract Closeout process?**

- 1 Contract
- 2 Contract File
- 3 Proposal
- 4 Statement of Work update

**186. You are the Project Manager responsible for developing a software application based on customer requirements. As the customer requirements keep changing frequently, you use all the following tools for Integrated Change Control except:**

- 1 Configuration Management
- 2 Project Management Information system
- 3 Corrective Action
- 4 Additional Planning

**187. Please refer to this diagram:**

<b>Task</b>	<b>Original Duration (months)</b>	<b>Crash Duration (months)</b>	<b>Original Cost</b>	<b>Crash Cost</b>
M	5	1	\$1,600	\$1,700
N	6	2	\$1,800	\$1,900
O	7	1	\$2,000	\$2,050
P	8	1	\$3,000	\$3,200
Q	13	3	\$2,500	\$2,650

Considering that the project has a negative float of 3 months, which of the following task(s) should be crashed to bring the project on schedule?

- 1 Task Q
- 2 Task N and Task O
- 3 Either 1) Task Q, OR 2) Task N and Task O
- 4 Task N and Task P

**188. According to the 80/20 rule, 80 percent of the problems are because of 20 percent of the causes. To facilitate finding out which are the most probable defects, you do a rank ordering of the defects using:**

- 1 Statistical Sampling
- 2 Control Chart
- 3 Pareto Diagrams
- 4 Inspection

**189. Communication Planning involves determining the information and communications needs of the stakeholders; who needs what information, when they will need it, how it will be given to them and by whom. If you are going to start Communication Planning for your project, which of the following will facilitate this process?**

- 1 Knowledge of Constraints and Assumptions
- 2 Availability of a Communications Management Plan
- 3 Availability of Project Records and Project Reports
- 4 Compilation of all Change Requests for the project

**190. You are working in the Project Office of your organization. What is your job responsibility?**

- 1 Managing the different activities of a project
- 2 Always being responsible for the results of the project
- 3 Providing support functions to Project Managers in the form of training, software, templates etc.
- 4 Providing Subject Matter Expertise in the Functional areas of the project

**191. Your goal as a project manager is to manage stakeholders to the best of your ability. However, if there are conflicts among stakeholders, they should usually be resolved in favor of :**

- 1 Business Partner/Project Sponsor
- 2 Team Members
- 3 Customer
- 4 All Stakeholders

**192. To determine the tangible and intangible costs and benefits of the project, you will conduct a:**

- 1 Product Analysis
- 2 Benefit/Cost Analysis
- 3 Expert Judgment
- 4 WBS review

**193. A parametric modeling technique will be accurate in predicting project costs in all the following conditions EXCEPT:**

- 1 Historical information available is accurate
- 2 Parameters are quantifiable
- 3 The project is a small project
- 4 Model is Scalable

**194. Your company has an agreement with the labor union that states that workers will not be asked to work more than 45 hours every week. For your project, this becomes a:**

- 1 Pre-defined criteria
- 2 Restriction
- 3 Assumption
- 4 Constraint

**195. To manage risks in your project, and communicate with stakeholders, you use several reports. Examples of some reports that could be used include all the following EXCEPT:**

- 1 Issues Log
- 2 Risk Register
- 3 Action-item logs
- 4 Escalation Notices

**196. All the following are true about contract negotiation except:**

- 1 Primary objective should be to build a lasting relationship
- 2 It includes responsibilities, contract financing, technical and business management approaches
- 3 Price is an important consideration during Negotiation
- 4 Main consideration of both buyer and seller should be to maximize monetary return

**197. Project Plan includes:**

- 1 Subsidiary management plans e.g. Scope Management Plan, Schedule Management Plan and Cost Management Plan
- 2 Project Charter, Scope statement and WBS
- 3 Performance Measurement baselines, major milestones and target dates
- 4 All the above

**198. In schedule development, you create a distribution of probable results for each activity and use it to calculate distribution of probable results for the total project. The technique that you are using is:**

- 1 What-if Analysis
- 2 Mathematical Analysis
- 3 Monte Carlo Analysis
- 4 Resource Leveling heuristic

**199. When all customer requirements for the product of the project are satisfied,**

- 1 Customer expectations are exceeded
- 2 Costs may be very high
- 3 Quality criteria are met
- 4 The product will be successful in the market.

**200. When your objective is to get a lasting win-win solution to a problem, which conflict resolution technique should you use?**

- 1 Collaborating
- 2 Smoothing
- 3 Avoiding
- 4 Withdrawing

**Project Management Areas:**

1. Project Management Framework
2. Project Integration Management
3. Project Scope Management
4. Project Time Management
5. Project Cost Management
6. Project Quality Management

7. Project Human Resource Management
8. Project Communications Management
9. Project Risk Management
10. Project Procurement Management
11. Project Professional Responsibility

## Answers

<b>Ques No</b>	<b>Answer</b>	<b>Knowldedge Area</b>	<b>Ques No</b>	<b>Answer</b>	<b>Knowldedge Area</b>
1.	4	1	51.	2	10
2.	2	11	52.	4	2
3.	1	3	53.	2	4
4.	4	5	54.	2	6
5.	4	7	55.	4	8
6.	4	9	56.	3	1
7.	1	10	57.	2	11
8.	2	2	58.	2	3
9.	2	4	59.	4	5
10.	3	6	60.	2	7
11.	2	8	61.	1	9
12.	1	1	62.	4	10
13.	2	11	63.	2	2
14.	2	3	64.	2	4
15.	1	5	65.	4	6
16.	3	7	66.	4	8
17.	1	9	67.	4	1
18.	3	10	68.	2	11
19.	3	2	69.	1	3
20.	2	4	70.	4	5
21.	2	6	71.	2	7
22.	4	8	72.	3	9
23.	4	1	73.	4	10
24.	2	11	74.	1	2
25.	2	3	75.	2	4
26.	4	5	76.	3	6
27.	1	7	77.	3	8
28.	1	9	78.	4	1
29.	3	10	79.	3	11
30.	1	2	80.	4	3
31.	2	4	81.	2	5
32.	2	6	82.	3	7
33.	1	8	83.	3	9
34.	4	1	84.	1	10
35.	2	11	85.	2	2
36.	2	3	86.	1	5
37.	4	5	87.	4	7
38.	1	7	88.	2	9
39.	2	9	89.	4	10
40.	4	10	90.	3	2
41.	2	2	91.	3	4
42.	1	4	92.	2	6
43.	2	6	93.	4	8
44.	4	8	94.	2	1
45.	3	1	95.	1	11
46.	2	11	96.	2	3
47.	2	3	97.	3	5
48.	4	5	98.	2	7
49.	1	7	99.	2	9
50.	4	9	100.	4	10

<b>Ques No</b>	<b>Answer</b>	<b>Knowldedge Area</b>	<b>Ques No</b>	<b>Answer</b>	<b>Knowldedge Area</b>
101.	4	2	151.	4	7
102.	3	4	152.	4	4
103.	1	6	153.	1	3
104.	3	8	154.	3	5
105.	2	1	155.	3	4
106.	1	11	156.	4	1
107.	2	3	157.	2	11
108.	1	5	158.	3	3
109.	2	7	159.	3	5
110.	1	9	160.	4	7
111.	1	10	161.	2	9
112.	3	2	162.	2	4
113.	4	4	163.	2	3
114.	3	6	164.	1	5
115.	4	8	165.	2	4
116.	2	1	166.	3	4
117.	1	11	167.	1	4
118.	1	3	168.	1	4
119.	1	5	169.	3	4
120.	2	7	170.	4	4
121.	1	9	171.	4	4
122.	1	10	172.	1	4
123.	4	2	173.	3	10
124.	1	4	174.	4	2
125.	2	6	175.	2	4
126.	3	8	176.	2	6
127.	3	1	177.	4	8
128.	2	11	178.	3	3
129.	4	3	179.	4	1
130.	2	5	180.	4	11
131.	2	7	181.	4	3
132.	1	9	182.	2	5
133.	2	2	183.	1	7
134.	2	4	184.	2	9
135.	1	7	185.	2	10
136.	1	1	186.	3	2
137.	2	3	187.	3	4
138.	1	5	188.	3	6
139.	4	9	189.	1	8
140.	1	2	190.	3	1
141.	1	4	191.	3	11
142.	2	7	192.	2	3
143.	1	1	193.	3	5
144.	3	3	194.	4	7
145.	3	s5	195.	2	9
146.	2	1	196.	4	10
147.	1	3	197.	4	2
148.	3	5	198.	3	4
149.	2	1	199.	3	6
150.	2	4	200.	1	8

# Question Set 8

Total Questions: 141



1. A particular process has two independent sources of variation. The standard deviation of the first source is 3 units and the standard deviation of the second source is 4 units. The standard deviation of the processes is:

A. 3  
B. 4  
C. 5  
D. 7

The correct answer is C.

You have to take the Variance to calculate the SD.

$$\text{Variance} = (\text{S.D})^2 + (\text{S.D})^2$$

$$\text{S.D} = \text{Sqrt of Variance}$$

$$\text{Variance of the first source} = 3^2 = 9$$

$$\text{Variance of the second source} = 4^2 = 16$$

$$\text{Total Variance} = 25$$

$$\text{S.D} = \text{Sqrt of variance} = 5$$

2. At XYZ Inc., the hourly wage for semi-skilled workers is \$14.00. The annual audit shows that fringe benefits cost 30% of basic wages, and that overhead costs are 60% of wages plus fringe benefits. What is the loaded hourly wage for a semi-skilled worker at XYZ Inc.?

A. \$22.40.  
B. \$26.60.  
C. \$29.12.  
D. \$30.33.

The correct answer is C.

$$\text{Fringe Benefits} = \text{basic wages} * 0.3 = \$14 * 0.3 = \$4.2$$

$$\text{Overheads} = (\text{Basic wages} + \text{Fringe benefits}) * 0.6$$

$$= (14 + 4.2) * 0.6 = \$10.92$$

$$\text{Loaded cost} = \text{basic wages} + \text{fringe benefits} + \text{overheads}$$

$$= 14 + 4.2 + 10.92 = \$29.12$$

(The confusion is the statement "overhead costs are 60% of wages plus fringe benefits".

Think of it as 60% of (wages plus fringe benefits), not (60% of wages) plus fringe benefits.)

3. A fixed-price-plus-incentive-fee (FPI) contract has a target cost of \$130,000, a target profit of \$15,000, a target price of \$145,000, a ceiling price of \$160,000, and a share ratio of 80/20. The actual cost of the project was \$150,000. How much profit does the seller make?

A. \$10,000  
B. \$15,000  
C. \$0  
D. \$5,000

The correct answer is A.

Here is the definition of FPIF (from Federal ARNET):

Fixed-price incentive (firm target) contracts

(a) Description. A fixed-price incentive (firm target) contract specifies a target cost, a target profit, a price ceiling (but not a profit ceiling or floor), and a profit adjustment formula. These elements are all negotiated at the outset. The price ceiling is the maximum that may be paid to the contractor, except for any adjustment under other contract clauses. When the

contractor completes performance, the parties negotiate the final cost, and the final price is established by applying the formula.

b) When the final cost is less than the target cost, application of the formula results in a final profit greater than the target profit; conversely, when final cost is more than target cost, application of the formula results in a final profit less than the target profit, or even a net loss.

c) If the final negotiated cost exceeds the price ceiling, the contractor absorbs the difference as a loss. Because the profit varies inversely with the cost, this contract type provides a positive, calculable profit incentive for the contractor to control costs.

Hence the only relevant facts are:

Target Cost (130000 in this case), which triggers the max profit!

Target Profit (15000 in this case), which the contractor earns when he delivers at exact 130000.

Ceiling Price (160000) no matter what the contract value (cost plus incentive) cannot go beyond this.

Share Ratio: 80/20 (Buyer/Seller) and Seller means contractor, here.

The contractor exceed the cost by = 20,000

(Target Cost - Actual Cost = \$1,30,000 - 1,50,000. = -20,000)

Since the Sharing Ratio is 80:20, the contractor has to bear 20% of the cost overrun; Seller's incentive = 20% \* -20,000 = -4000.

Since the contractor pays \$4000, the Target Profit would be 15,000 - 4000 = 11,000.

The contractor has to get Actual Cost + Profit = \$1,50,000 + 11,000 = 1,61,000. Since there is a ceiling of 1,60,000, the contractor actually gets paid for only 1,60,000.

Hence the total Profit would be Net Income – Net expenditure (Cost)  
= 1,60,000 - 1,50,000 = 10,000.

Hence the answer is A.

**4. The budget for a major project lasting several years is usually prepared to reflect expenditures on an annual basis. The budget is, therefore, compared to expenditures at the end of each accounting cycle (i.e., each year). This poses a potential problem because \_\_\_\_\_.**

- a) the budget will always be greater than the rate of expenditure when delays are encountered in paying the billings
- b) the expenditure rate will be viewed optimistically (under-spent) and the project manager will attempt to increase expenditures
- c) the budget is not representative of the expenditure rate when there is an increase to the scope of work
- d) the budget changes too frequently to permit a valid comparison of the plan versus the actual expenditures
- e) schedule delays or restructuring of the workload will affect costs during the accounting periods and give false indications of expenditure rates

Answer : ???

**5. Which of the following is NOT a method of government procurement?**

- A) Assistance
- B) Sealed Bidding
- C) competitive proposals
- D) acquisition
- E) small purchases

Answer : ???

**6. The "rule of seven" as applied to process control charts means that**

- a) Seven rejects typically occur per thousand inspections.
- b) Seven consecutive points are ascending, descending, or the same.
- c) At least seven inspectors should be in place for every thousand employees.
- d) A process is not out of control even though seven measurements fall outside the lower and upper control limits.

Answer : ???

(None of the above rule of 7: 7 successive points at one side of the mean.)

**7. Which of the following is not a strong acquisition tool?**

- a. Request for proposal
- b. Invitation for sealed bids
- c. Negotiate a price through bargaining
- d. Term Contract

Answer:???

**8. Standardization of purchased material:**

- a. complicates inventory control
- b. reduces the risk of obsolescence
- c. reduces cost of purchasing and storage
- d. guarantees conformance to project schedule

Answer : ???

**9. You are faced with two very important decisions in your life.**

- A. Eat a hamburger with cost \$4, with a probability of e-coli sickness, which will have a 1% probability to land you in the hospital with a cost of \$7000.
- B. Or you can take French food costing you \$60, which will have only a probability of 0.1% landing you in the hospital. The hospital cost is \$5000.

What is the better decision financially?

Answer ???

(A, as Potential risk of A will cost -  $\$7000 \times 1\% + \$4 = \$74$  and for B will cost -  $\$5000 \times 1\% + \$60 = \$110$ .)

**10. Your customer asks for a small change in the project, which was not budgeted in the project. It is a small effort as compared to the total project and you need the goodwill for a multimillion-dollar on the pipeline. You will**

- 1) refuse to do the work
- 2) agree to do the work at no charge
- 3) do the work and bill him later

4) assess the cost and schedule impact and tell them you will decide later

Answer : ???

(A, Any changes will go through change control procedure.)

**11. Using the situation below and assuming continued efficiency for work-in progress and fixed price contract for task four. The estimate at completion is:**

Budgeted Cost	BCWS	ACWP	BCWP	
Task One	\$5K	\$5K	\$6K	\$5K
Task Two	\$6K	\$6K	\$8K	\$4K
Task Three	\$4K	\$2K	\$1K	\$1K
Task Four	\$4K	\$0K	\$0K	\$0K

- A. \$19K
- B. \$21K
- C. \$26K
- D. \$29K

Answer : C

(BAC = 5+6+4=15K

EAC of task 1&2&3= AC +(BAC-EV)/CPI = 15+(15-10)/(10/15)=22.5K

EAC of all 4 tasks = 22.5K+4K = 26.5K)

**12. The quality team for the project consists of several groups. Which of the following project participants plays the most important role in the quality function?**

- a) Customer
- b) Project Manager
- c) Project Team
- d) Vendors and suppliers

Answer : A (Answer: C As per PMBOK the ultimate responsibility of quality lies with the project team)

**13. In order to anticipate your management's approval of the amount of risk you plan to take on with your chosen project approach, you would use**

- A) Probability analysis
- B) The Delphi method
- C) The Monte Carlo method
- D) The utility theory

Answer : D (What is utility theory)

**14. All of the following statements about the project charter are correct except:**

- A. It is often an internal legal document
- B. It identifies the project manager's authority and responsibility
- C. It identifies management and/or customer approved scope of the project
- D. It usually does not identify cost and time estimates

Answer : D (Actually Project charter is created even before cost and time estimates can be done??)

**15. The party that needs the change resulting from the project, and who will be its custodian on completion is the**

- A. Owner
- B. Sponsor
- C. Customer
- D. Client

Answer : B (Answer should be A Owner)

**16. Over the life cycle of the project, the quality of information:**

- A. Is dependent on the source and the disciplines used to ensure the information is kept up-to-date.
- B. Should remain constant if good communications are applied throughout the project.
- C. Increases from concept, to development, to implementation, to termination.
- D. Increases from concept to development to implementation, and then decreases during and after termination.

Answer C ?????

**17. Critical input to scope initiation is:**

- 1. WBS
- 2. project charter
- 3. the organization strategic plan
- 4. message from sponsor

Answer : 2 (Preferred answer 3 because Project chartered is output of scope initiation or You need charter to start off scope planning.)

**18. In WBS diagramming, the work package is:**

- a. Lowest level task to be completed
- b. Collection of the lower level tasks to be completed.
- c. Collection of tasks to be done by one individual or group
- d. All the tasks to be done by one organizational unit.
- e. All of the tasks in the project.

Answer: C.

Don't you think answer b or a would be appropriate, since Work Package is the lowest level in the WBS.

**19. A project is considered to be complete when**

- a. BCWP, BCWS and EAC are all equal
- b. ACWP, BCWS and EAC are equal
- c. ACWP and EAC are equal
- d. BCWP and EAC are equal.
- e. a and d.

Answer: a.

**20. The earned value report BCWP at the end of the project**

- a. = BCWS

- b. =EAC
- c. Is always > ACWP
- d. a and b
- e. none of the above.

Answer: a

Assuming that the previous answer (BCWP=BCWS=EAC), shouldn't the answer be d?

**21. Which of the following organization holds the project manager's authority the weakest**

- a. Project
- b. Strong Matrix
- c. Weak Matrix
- d. Project Co-ordinator
- e. project Expeditor

Answer: e.

Project Co-ordinator and Project Expeditor are roles of the PM in a functional organization. They are not a type of organization. Wouldn't the most appropriate answer be C, considering the choices given?

**22. Which of the following is or are a part of Solicitation process**

- a. Contractors proposal
- b. Bidder's conference
- c. Evaluation Criteria
- d. Weighting System
- e. All of the above.

Answer: e ????.

I thought that the answer should be b or a.

**23. If the message is very complex, the best method that can be used to have the greatest chance for the most complete understanding is**

- a. oral
- b. written
- c. nonverbal
- d. a and b
- e. a, b and c

Answer: E.

I think the answer should be b.

**24. Which of the following is true about the WBS**

- a. The WBS is deliverable oriented
- b. Each level represents an increasing level of detail
- c. The WBS is unstructured list of activities in chart form
- d. a and b
- e. none of the above.

Answer: a

I thought that answer should be d (a and b)

**25. The project schedule is not used to determine**

- a. The starting and finishing dates of the activities
- b. Occasional changes to the activity listing
- c. the total float of the activities
- d. The projects budget
- e. b and d

Answer: d

Isn't project schedule an input to Cost Budgeting?

**26. A Gantt chart is useful in determining**

- a. The level of effort of a task
- b. When a task starts and stops
- c. How tasks are related to each other
- d. Who is assigned to what task
- e. All of the above.

Answer: b

According to PMBOK, Schedule development process, The Bar chart or Gantt chart, shows the durations, the starting and the ending date and sometimes the dependencies. So why would a and c not be an appropriate answer.

**27. The use of quality management tools is used to provide**

- a. Satisfaction
- b. Assurance
- c. Capability
- d. Improvement
- e. Performance

Answer: b

**28. Project coordination is enhanced through progress reporting, variance reporting, and cross-team meetings. These are all forms of:**

- A. stakeholder management.
- B. risk management and reporting.
- C. quality management.
- D. communications management.

The answer is C But I feel it should be D.

When reporting performance and variance, we do it within the project team as well with stakeholders. I would like to consider stakeholder meetings as cross-team meetings to support my answer of "D". However, if the cross-team meetings are for non-project related teams for lessons' learned, then the activities in the question seem serves quality management.

**29. As project manager, which of the following activities most deserves your immediate attention?**

- A. ACWP = \$3,000 and BCWP = \$2,900
- B. BCWS = \$3,000 and BCWP = \$2,900
- C. ACWP = \$3,000 and BCWP = \$3,200
- D. BCWP = \$3,000 and ACWP = \$2,400

Correct Answer: D

Remember,  $CV(\text{Cost Variance}) = EV(\text{or BCWP}) - AC(\text{or ACWP})$  and  $SV(\text{Scheduled Variance}) = EV(\text{or BCWP}) - PV(\text{or BCWS})$

So, CV in D is +600 and that of C is +200 and that of A is -100. Though, negative variance in A means BAD, and so apparently PM's attention should have gone to this case, but in case of D where the CV is positive (and you think that is good), you have the most significant variance, correct answer must be D. Since the question is "which of the following activities most deserves your immediate attention" (and it's not asking if its good or bad). In this case it might be a failure planning the cost of the project.

OR

$\text{CostPerformanceIndex(CPI)} = \frac{\text{EarnedValue(EV)}}{\text{ActualCost(AC)}}$ ,  
 $\text{SchedulePerformanceIndex(SPI)} = \frac{\text{EarnedValue(EV)}}{\text{PlannedValue (PV)}}$

CPI for A is 0.97, for C is 1.07 and for D is 1.25, while SPI for C is 0.97. This means, for every dollar spend on A, C and D, we so far got back \$0.97(not bad), \$1.07(good) and \$1.25(Very good – but?) respectively and for D, we completed 97%(not bad) of originally planned job. In case of D, the variance is the largest. The fact that it is under budget does not mean that the cause of the variance shouldn't be investigated; either the execution is incomplete, or the plan was significantly off as a consequence of poor schedule. Either case probably requires some corrective action. Hence, a Project Manager's immediate attention will go to D.

**30. Which of the following is not an input to cost budgeting?**

- A. Cost estimates
- B. Work breakdown schedule
- C. Project schedule
- D. Risk management plan

ANS: D

Reference: PMBOK 7.3.1 (P. 89)

I suspect that this is an error and the answer should be B.

Work Breakdown Structure would have been correct.

**31. Scope verification is a part of**

- A. Project initiation
- B. Project planning
- C. Project execution
- D. Project controlling

ANS: C

Reference: PMBOK3.3.3 & 5.4 (P. 36)

I suspect that this is an error and the answer should be D.

**32. Your project will require use of a high-pressure punch press for four months. You can rent the press for \$10,000 payable at the end of each month You may also choose to make a lump sum payment on the day the press is delivered. Using a discount rate of 1% per month, the maximum lump sum payment you should choose to make is:**

- A. \$38,000
- B. \$38,500
- C. \$39,000
- D. \$39,250

ANS: C



Present value  $[PV=FV/(1+i)^n]$  of at the beginning of the first month for all \$10,000 paid at the end of months for four months, will be \$39,019.66 which is just greater than \$39,000 (or C) – the maximum lump sum amount payable.

Reference: Project Management: A Systems Approach to Planning, Scheduling and controlling, 6th Edition p. 762

**33. A work package, scheduled for one year from today, will cost \$114,000 at that time. It can be done now at a reduced cost. Using a 12% discount rate, the maximum cost you should authorize for doing the work now is:**

- A. 100,320
- B. 101,750
- C. 102,500
- D. 103,000

ANS: A ???

Present value of \$114,000 paid after one year is \$101,785.70 and I think answer should be B (\$101,750).

Reference: Project Management: A Systems Approach to Planning, Scheduling and controlling, 6th Edition p. 762

**34. The seller delivers a fixed price plus incentive fee project at a cost of \$90,000. The terms of the contract are a ceiling price of \$120,000, a target cost of \$ 100,000, a target profit of \$10,000, and a target price of \$110,000. The share ratio is 70/30. The final price (your total reimbursement) is:**

- A. \$93,000
- B. \$96,000
- C. \$97,000
- D. None of the above

The answer is D.

Actual cost is \$90,000, it's less than target cost, so he can retain the target profit (\$10,000) and also can get 30% incentive from excess profit of \$10,000 (= 110,000 – 90,000 – 10,000), which is \$3,000. Hence, the contractor gets Actual Cost + Target Profit + Incentive = \$90,000 + \$10,000 + \$3,000 = \$103,000 and answer is None of the Above (D). Note: this is also less than Ceiling Price (\$120,000).

**35. For the following group of numbers: 80, 10, 10, 50, 70 and 90. What is the standard deviation?**

- A 10
- B 80
- C 35
- D 60

Correct answer is C (=35).

$SD = \sqrt{\text{Sum}\{(\text{number} - \text{mean})^2\}/(n - 1)}$ , where n is sample size.

Here, mean is  $(80+10+10+50+70+90)/6 = 51.66 = 52$  (say).

So,  $SD = \sqrt{\{(80-52)^2+(10-52)^2+(10-52)^2+(50-52)^2+(70-52)^2+(90-52)^2\}/(6-1)} = \sqrt{6083/5} = \sqrt{1217} = 35$

**36. In WBS diagramming, the work package is:**

- a. Lowest level task to be completed
- b. Collection of the lower level tasks to be completed.
- c. Collection of tasks to be done by one individual or group

- d. All the tasks to be done by one organizational unit.
- e. All of the tasks in the project.

Answer : C.

B is probably the closest to correct. The only way I can see C being selected is because the Work Package could be handed off to another group to actually do the work. (Don't you think answer b or a would be appropriate since Work Package is the lowest level in the WBS.)

**37. A project is considered to be complete when**

- a. BCWP, BCWS and EAC are all equal
- b. ACWP, BCWS and EAC are equal
- c. ACWP and EAC are equal
- d. BCWP and EAC are equal.
- e. a and d.

Answer a.

When SPI = 1 which means PV and EV are equal, the project is complete. That would mean the answer is A.

**38. The earned value report BCWP at the end of the project**

- a. = BCWS
- b. = EAC
- c. is always > ACWP
- d. a and b
- e. none of the above.

Answer - a

When SPI = 1 which means PV and EV are equal, the project is complete. That would mean the answer is A. (Assuming that the previous answer (BCWP=BCWS=EAC), shouldn't the answer be d?)

- b. Strong Matrix
- c. Weak Matrix
- d. Pro

**39. Which of the following organization holds the project manager's authority the weakest**

- a. Project  
ject Co-ordinator
- e. project Expeditor

Answer e.

In Rita's book, she does talk about Project Expeditor and Project Coordinator as Organizations. The Coordinator has more power than the Expeditor which would make E correct. (Second thought - Project Co-ordinator and Project Expeditor are roles of the PM in a functional organization. They are not a type of organization. Wouldn't the most appropriate answer be C, considering the choices given?)

**40. Which of the following is or are a part of Solicitation process**

- a. Contractors proposal
- b. Bidder's conference
- c. Evaluation Criteria
- d. Weighting System
- e. All of the above.

Answer : e ????

A and B would be the most correct answer. If you consider Solicitation Planning and Solicitation as the 'Solicitation' process, then E would be correct.

**41. If the message is very complex, the best method that can be used to have the greatest chance for the most complete understanding is**

- a. oral
- b. written
- c. nonverbal
- d. a and b
- e. a, b and c

Answer E. ????

I think the answer should be b.

**42. Which of the following is true about the WBS**

- a. The WBS is deliverable oriented
- b. Each level represents an increasing level of detail
- c. The WBS is unstructured list of activities in chart form
- d. a and b
- e. none of the above.

Answer : a ????

I thought that answer should be d (a and b)

A is the right answer as option B is not true because "Each level represents an increasing level of detail" does not contain the word descending for level! Refer PMBOK 5.3.3.1.

**43. The project schedule is not used to determine**

- a. The starting and finishing dates of the activities
- b. Occasional changes to the activity listing
- c. the total float of the activities
- d. The projects budget
- e. b and d

Answer : d

Isn't project schedule an input to Cost Budgeting (another name of Projects Budget?)

**44. A Gantt chart is useful in determining**

- a. The level of effort of a task
- b. When a task starts and stops
- c. How tasks are related to each other
- d. Who is assigned to what task
- e. All of the above.

Answer : b

Rita says that a Gantt chart in its purest form does not show task interdependencies. That would make B correct. (in second thought - According to PMBOK, Schedule development process - The Bar chart or Gantt chart, shows the durations, the starting and the ending

date and sometimes the dependencies. So why would a and c not be an appropriate answer.)

**45. The use of quality management tools is used to provide**

- a. Satisfaction
- b. Assurance
- c. Capability
- d. Improvement
- e. Performance

Answer b

PMBOK says Quality management is required to ensure that the project will satisfy the needs for which it was undertaken – so “Assurance” makes the correct answer.

Also, the Quality Management tools (Pareto diagram, control charts etc) are primarily tools, techniques used in quality control process. The results derived by using these tools are inputs to the quality assurance process. Ultimately the usages of these tools are for quality improvement and both quality assurance and quality control are part of quality management. Therefore the answer 'Assurance' is correct.

**46. Optimistic 3 days, Pessimistic 9 days, and mostly likely 6 days. What is the standard deviation of this estimation?**

Method 1:

PERT simplifies the calculation of Standard Deviation (SD) =  $[\text{Pessimistic Estimate (TP)} - \text{Optimistic Estimate (TO)}] / 6$   
 $= (9 - 3) / 6 = 1$

Method 2:

Assume, observations are 3,6,6,6,6,9 (as Optimistic is 3 days, pessimistic is 9 days and most likely is 6 days).

Hence, mean =  $(3+6+6+6+6+9)/6 = 6$ ;

SD =  $\text{Sqrt}[\text{Sum}\{(\text{number} - \text{mean})^2\}/(n - 1)]$ , where n is sample size.

$= \text{Sqrt}[\{(3-6)^2+(6-6)^2+(6-6)^2+(6-6)^2+(6-6)^2+(9-6)^2\}/(6-1)] = \text{Sqrt}[\{9+0+0+0+0+9\}/5] =$   
 $\text{Sqrt}[18/5] = \text{Sqrt}[3.6] = 1.9$  (WRONG? I don't know why?)

Correct answer is 1.

**47. Using the data below, the point of total assumption occurs at a cost of work of:**

- A. \$12,250
- B. \$12,750
- C. \$13,250
- D. \$14,000

Target Cost: \$12,000

Target Fee: \$1,000

Sharing Ratio: 80%/20%

Price ceiling: \$14,000

Correct answer is C

According to Kerzner, the “point of total assumption” is where the point beyond which the seller is responsible for all the additional costs. (You have to consider all the answer one by one and find out the right answer)

If you take the actual cost as 13,250.

It's greater than Target Cost by  $12,000 - 13,250 = -1250$ .  
 So, Seller gets incentive of  $-250$  (20% of 1250), actually he has to pay  
 His total profit =  $1000 - 250 = 850$ .  
 So, final price would be  $13,250 + 850 = 14,000$ , its the price ceiling.  
 Hence if he spends more than 13,250 he has to bear the additional cost, since the Buyer will pay only 14,000 (ceiling price).  
 Hence the answer is C

OR, do this way:

If,  $x$  is Actual Cost, using Algebraic problem-solving method: we have,  $14000 = x + \text{Net Profit}$   
 $\text{Profit} = x + (\text{Target Profit} + \text{Incentive/Loss})$   
 or,  $14000 = x + (1000 + 20\% \text{ of } (12000 - x))$   
 or,  $14000 = x + 1000 + 2400 - 0.2x = 3400 - 0.8x$   
 so,  $x = (14000 - 3400) / 0.8 = 10600 / 0.8 = 13250$  (Answer C)

**48. A process characteristic has a true mean of 150 and a true standard deviation of 20. A sample of 25 items is taken from this process. The standard error of the estimate is:**

- A. 0.2
- B. 0.8
- C. 4
- D. 5
- E. 7.5

Correct Answer is C.

The Standard Error of a statistic is the "Standard Deviation" of the "sampling distribution" of that statistic. Standard errors are important because they reflect how much sampling fluctuation a statistic will show. The standard error of a statistic depends on the sample size. In general, the larger the sample size, the smaller the standard error. The standard error of a statistic is usually designated by the Greek letter sigma ( $\sigma$ ) with a subscript indicating the statistic. For instance, the standard error of the mean is indicated by the symbol:  $\sigma_M$ . The formula for the standard error of the mean is:

$$\sigma_M = \frac{\sigma}{\sqrt{N}}$$

where  $\sigma$  is the standard deviation of the original distribution and  $N$  is the sample size (the number of scores each mean is based upon).

So, Standard Error here is  $20/\text{sqrt}(25) = 20/5 = 4$ . That is C.

**49. The future value of an annual income flow of \$1000 for 2 years at 10% is:**

- a) \$2310
- b) \$2280
- c) \$2300
- d) \$2200

Should it not be: \$1210?

No. The answer is A.

Note that the cash inflow is annual and it seems this annual income is of 2 years of \$1000 each year.

End of 1st year for \$1000 at 10% interest, you will get \$1100.

End of the 2nd year =  $1100 + 1000 = 2100$  at 10% will be 2310.

[ $FV = PV * (1+i)^{**n} = 1000(1.1)+1000(1.1)(1.1) = 1100+1210 = 2310$ ]

50. A project manager believes that the best way to manage is to form a good, harmonious working relationship with the team, and high performance will follow. The project manager could be defined as a \_\_\_\_\_ manager.

- A. 1,9
- B. 9,1
- C. 1,1
- D. 9,9
- E. 5,5

ANS: A

Four types of project leader that are considered best suited to different project circumstances are, imaginative Explorer (9,9), assertive Driver (9,1), catalyst Coordinator (5,5) and Professional Administrator (1,9) – are placed in four quadrants of Focus (X) and Approach (Y) axis of General Personality Characteristics Grid. These values of (9,9), (9,1), (1,9) and (5,5) are Blake-Mouton Grid descriptions.

(Refer to <http://www.maxwideman.com/papers/profiles/general.htm>)

(1,9) represents Administrator who believes in forming a good, harmonious working relationship with the team. Administrator recognizes the need for stability, typically in order to optimize productivity through maximizing repetition to the extent possible on a project and to get the work finished. Often, requisite information must be assembled and carefully analyzed, with thought given to the trade-offs and how conflicts and problems can be resolved and disposed of in advance. Work must be carefully scheduled and procedurized if potential gains are to be realized and "all the pieces are to be carefully put in place".

So, the answer is A – (1,9) the Administrator manager.

51. You have summarized the project and note that 28,000 hours have been scheduled, 25,000 hours have been earned and 26,000 hours paid. The correct conclusion is:

- A. The project is operating at a favorable cost efficiency ratio.
- B. the project is spending more than planned
- C. the project is behind schedule
- D. the project is ahead of schedule
- E. B and C

The answer is C (Isn't it E?)

Here,  $EV=25$ ,  $PV=28$  and  $AC=26$ ; so  $CV = -1$ ,  $SV = -3$  and  $CPI = 0.96$  and  $SPI = 0.89$ .

Therefore it is over budget and behind schedule; but over-budget by very insignificant point, while it is certainly behind schedule by over 10%. That's why answer is C.

52. The LEAST effective form of communication for complex situations is:

- A. verbal - face to face
- B. written
- C. formal
- D. informal
- E. A and C

ANS: E

Why would formal communication be least effective?

53. Electronic Company has a reliability of 0.90. 2 of these components arranged in series in a sub-assembly. The reliability for the sub-assembly is:

- a) 0.9
- b) 1.80

- c) 0.81
- d) 0.99

Answer is C. why???

If the connection is in series then multiply the reliability. If the connection is in parallel then add the reliabilities. Hence, the answer would be C (=  $0.9 \times 0.9 = 0.81$ ).

Theory

For Serial reliability (events mutually dependents):

$$\text{Total} = R_t = R_1 * R_2 = 0.9 * 0.9 = 0.81$$

For Parallel Reliability (events independents and redundant):

$$\text{Total} = R_t = 1 - (1-R_1) * (1-R_2) = 1 - 0.1 * 0.1 = 0.99.$$

**54. A particular process has 2 independent sources of variation. The standard deviation of the 1st source is 3 units & the standard deviation for the 2nd source is 4 units. The standard deviation of the process is:**

- a) 3
- b) 4
- c) 5
- d) 7

Answer is C. why???

Standard deviation of the first source is 3 units and the standard deviation for the second source is 4 units.

So, the standard Variance for first source = 9 (=  $SD^2 = 3 \times 3$ ) and Variance for second source is 16.

Total Variance of the combined process =  $9 + 16 = 25$

Standard Deviation of the process =  $\sqrt{\text{Variance}} = \sqrt{25} = 5$

Note: You can only sum up the variances and not Std. deviations.

**55. For the following group of numbers, 80, 10, 10, 50, 70, and 90; what is the mode?**

- a) 80
- b) 10
- c) 50
- d) 90

Don't know the answer or what mode is & how it's calculated!

The mode is the number with the maximum frequency for discrete data. Since 10's frequency is 2 the answer would be 10.

**56. What the following mean in communication:**

Devil's advocate  
 Aggressor  
 Dominator

As per "Team Building for Project managers" by Linn C. Stuckenbruck and Devil Marshall, the above roles generally refer to the different "destructive" team roles that one can encounter:

The Aggressor - criticizes and deflates status of others

The Blocker - rejects the views of others

The Withdrawer - holds back and will not participate

Recognition Seeker - seeks attention by monopolizing discussions

Topic Jumper - continually changes subject

Dominator - tries to take over discussions

Devil's Advocate - brings up alternative viewpoints (can be positive or very negative). It is the position deliberately taken by a member to defend the contrary view (which in most cases will be the losing side). The role player defends the cause strongly, so that the attitude of the other players to pose arguments and points in favor their cause strengthens. In fact this method, will bring out the best of the desired view and seal the case in its favor. Devil's advocate knows this and finally concedes defeat.

**57. The practice of ceasing mass inspections and ending awards based on price is credited to:**

- A. Edward Deming
- B. Philip Crosby
- C. Juran
- D. Pareto

Answer: A

Refer <http://courses.bus.ualberta.ca/orga432-reshef/deming.htm>

**58. In negotiating with functional managers, project managers often find themselves using what two-party conflict management approach:**

- A. Win-Lose
- B. Win-Win
- C. Lose-Lose

Answer: C, As both of them has to give in a little

**59. Deflection or transfer of risk to another party is part of which of the following risk response:**

- A. Mitigation
- B. Acceptance
- C. Avoidance
- D. Analysis

Answer: A

Because Mitigation is - Taking steps to lessen risk by lowering the probability of a risk event's occurrence or reducing its effect should it occur. (Actual answer is Transference. This is not given in the given choices. Please refer PMBOK Chapter 11, Page: 142.)

**60. A Fixed Price plus Incentive fee (FPI) contract has a target cost of \$1,30,000, a target profit of \$15,000, a target price of \$1,45,000, a ceiling price of \$160,000, and share ration of 80/20. The actual cost of the project was \$150,000. How much profit does the seller make?**

- A. 10,000
- B. 15,000
- C. 0
- D. 5000

Answer: A

Profit/Loss amount = Target Cost – Actual Cost = 130000 – 150000 = -20000. Incentive Amount = 20% of (-20000) = -4000. Profit Amount = Target Profit + Incentive Amount = 15000 – 4000 = 11000.

Total price = Actual Cost + Profit Amount = 150000 + 11000 = 161000



But there is a ceiling, so modified Total Price is 160000.  
So the Seller gets only 10000 (=160000 – 150000).  
Hence answer is A.

**61. Which type of bilateral contract is used for high dollar, standard items?**

- A. PO (Purchase Order)
- B. RFP (Request for Proposal)
- C. IFB (Invitation for Bid)
- D. RFQ (Request for Quotation)

Answer: C

**62. There is a project with CPI = 0.81 and TCPI = 1.00001; this project is:**

- 1. Over budget and cannot recover
- 2. Under budget
- 3. Over budget and early in its evolution
- 4. No inferences can be made.

Answer: 3 (Not quite sure!)

CPI less than 1.0 tells us that we are Over-budget.

The To-Complete-Performance-Index (TCPI) calculates an efficiency factor, which must be attained, if the remaining works to be completed within the forecasted EAC. So, TCPI of 1.00001 means it looks achievable.

That means, this project is Over-Budgeted but can be recovered – Answer C is closest of all.

**63. You work as a senior project manager for a leading manufacturer of tennis racquets. Management wants to explore new markets and new products to boost revenue and profits. You are leading a team to identify potential products. Because of your background in exercise science you have recommended developing a new type of tennis ball. But when you submitted the idea for review, executive management informed you that this product would not fit the organization's core competences. You need to go back to the drawing board and recommend other products using management's guidelines as:**

- A) An Assumption
- B) A constraint
- C) A specification
- D) A technical requirement

Answer: A (I chose B....)

As far as this Question is concerned, a lot of us would opt for Choice B. However, my thoughts are as follows. Going by PMBOK's definition on Ch. 4 - Pg. 40, the restriction of having to work within the core competencies of the organization is not going to limit the performance of the project. Also, this restriction is going to apply to an input of the "Initiation" stage, i.e. the product description. So, it maybe safe to treat this an assumption. If we treat this as an assumption, it is a factor that is valid for all planning purposes. It has an impact on the project. It maybe that core competency gets progressively elaborated (detailed) during the course of the project.

**64. In which of the following scope management processes is the scope management plan prepared?**

- a) Initiation

- b) Scope Planning
- c) Scope definition
- d) Scope Change Control

Answer: A (I naturally choose B but...)

Your answer choice B is positively correct. Please see PMBOK 2000 – Ch. 5 – Pg 48. I guess there was an error in the answer choice.

**65. What is the purpose of dummy activity in an activity-on-arrow diagram?**

- (A) Show task that are not necessary
- (B) Show tasks that are alternatives to planned tasks
- (C) Show task dependency
- (D) Show task that is completed

Answer: D (My answer has been C but...)

**66. A process characteristic has a true (population) mean of 150 & a true (population) Std Deviation of 20. A sample of 25 items is taken from this process. The Std Deviation for the sample is :-**

- A. 0.2
- B. 0.8
- C. 4.0
- D. 5.0

Answer: C

In a normal distribution the variance is calculated as follow:

$$X \text{ (mean)} = (a_1 + a_2 + a_3 + \dots + a_n) / n$$

$$V \text{ (variance)} = \text{sum}((X - a_n)^2) / n - 1 \text{ (divided by } n \text{ if small sample)}$$

$$S \text{ (standard deviation)} = \text{sqrt}(V)$$

From the question:

$$X = (0.2 + 0.8 + 4 + 5) / 4 = 2.5$$

$$V = (2.5 - 0.2)^2 + (2.5 - 0.8)^2 + (2.5 - 4)^2 + (2.5 - 5)^2 = 5.29 + 2.89 + 2.25 + 6.25 = 16.68$$

$$S = \text{sqrt}(V) = 4.08411 = 4.0. \text{ So, the answer is C.}$$

or,

$$\text{StdDev of Sample} = \text{StdDev of Population} / \text{sqrt of sample size}$$

$$\text{StdDev of Sample} = 20 / (\text{sqrt of } 25)$$

$$\text{StdDev of Sample} = 4$$

**67. A particular Process produces parts with Standard Deviation = 6 unit. Every 3 hrs, a sample of 4 items is taken & its mean is plotted. The Standard Deviation of the mean is**

- A : 2
- B : 3
- C : 4
- D : 5

Answer: B

You could calculate, the SD of the sample as SD of population / sqrt(sample size) = 6 / sqrt(4) = 6/2 = 3. So answer is (B).

When the question says std dev of mean, i assume that is just a typo either for "std dev of the sample" or "std dev from the mean"

68. A process has Critical path of 12 days & Standard Deviation of 1. What is the probability that the process will be completed in 13 days.

- A : 10%
- B : 68%
- C : 84%
- D : 95%

Answer: C (As the target date is 1 SD away, I will select 68%. Why 84%?)

The probability of PERT estimates is 50% and it is the mean.

1 SD from the mean covers an additional population of 34.1%, 2 SD from the mean covers 47.7% and 3 SD covers 49.8%. Conversely, -1 SD from the mean covers a population of -34.1% etc.

13 days means - 1 additional day from the mean (that is 1 SD too); so from the data above the cumulative probability to complete, comes from 50% + 34.1% = 84.1% (answer C)

To better understand my affirmation, we should consider a PERT estimate as a mean of a normal distribution (although PERT is based on a beta distribution but we all know that all the distribution can be approximated by a normal distribution), thus the area under the Gaussian curve delimited by the mean is 50% of the entire area.

69. I'm hopelessly confused: per Rita Mulcahy, pg 138, the most often asked for formula for EAC is  $EAC = BAC / CPI$ , used when there are no variances from BAC, or when you expect to continue at same rate. She uses it for the exercise on pg 141, which definitely has a variance. Neither the PMBOK nor Heldman mention this formula, and recommend using  $EAC = AC + (BAC - EV) / CPI$  when you expect variances to continue. Please help me understand - and for those who recently passed: which formula did you use if the question didn't specifically identify if variances are expected to continue. Thank you in advance; this forum is exceptionally helpful.

Answer:

Actually, even though the formulas have a different meaning based on the context, mathematically they are the same:

$EAC = BAC / CPI$  with no variance

$EAC = AC + (BAC - EV) / CPI$  with variance, based on performance

But,  $CPI = EV / AC$ , so

$EAC = AC + (BAC - EV) / CPI$

$= AC + BAC / CPI - EV / CPI$

$= AC + BAC / CPI - EV / (EV / AC)$

$= AC + BAC / CPI - EV * (AC / EV)$

$= AC + BAC / CPI - AC$

$= BAC / CPI$

Why does this work? When there is no variance, the CPI should be 1, and the EAC should be the BAC.

70. Using the PERT, the probability of completing a project at or later than its expected time is:

- a. 0%
- b. 50%
- c. 68%
- d. 95%

Answer is b. Why?

Because PERT is based on Normal Distribution, which is centered around **mean**. Though, PERT is actually based on a BETA distribution but from the law of huge numbers, every distribution can be approximated by a normal distribution.

71. A company is making a decision regarding which model of equipment to buy for its next project. The equipment has a life of 4 years. Model E will have a cost of owning of \$ 600 a month. The following info is available for model G. Purchase price is \$ 20000. Operational cost is \$1000 per year. Mean time between failures is 10 months. Damage per failure is \$550 dollars. Which of the following is true?

- a. The monthly cost of owning Model G is approximately \$550
- b. The monthly cost of owning Model G is approximately \$670
- c. The monthly cost of owning Model G is more than the monthly cost of owning model E
- d. Not determinable from the above info.

Answer is a. How?

Model E: Total cost =  $600 \times 4 \times 12 = 28800$ . PM cost =  $28800/48 = 600$ .

Model G: Total Cost =  $20000 + 1000 \times 4 + 550 \times 48/10 = 26640$ .

PM Cost =  $26640/48 = 555$ , i.e., approximately \$550. Answer is A.

72. Can anyone pinpoint the exact difference between Program vis-à-vis Project Portfolio - as per PMI/PMBOK?

The short answer is that **portfolio** is not defined in the 2002 Edition of the PMBOK Guide, and a **program** is a group of related projects that benefit from being managed in a coordinated way. And **project** is a temporary endeavor undertaken to create a unique product, service, or result.

I think the key word is related. Think of the Boeing 777 **program** as a group of related projects (electrical systems development, mechanical systems development, etc.). All are related to each other and none can be cancelled without harm to the 777-development program.

A group of completely unrelated projects could be managed as a **portfolio** with the option of canceling one of the projects and freeing up resources without negatively affecting the other projects in the portfolio.

73. Assuming a PERT weighted average computation, what is the probability of completing the project within plus-or-minus 3 standard deviations of the mean?

- A. 68%
- B. 99.74%
- C. 95%
- D. 75%

Answer: B

(Refer to Q.68 above) Probability = Mean + 3 SD = 50% + 49.8%

74. A quality control (QC) manager for a manufacturing firm is calculating the expected standard deviation (s) for the length of hex bolts being produced on the assembly line. There are two sources of variation in the length of the hex bolts: production variation and measurement error. The QC manager knows that the standard deviations from these two sources are 0.24 inch and 0.43 inch, respectively. Assuming that there are no other significant sources of error, what answer should the QC manager calculate for the total standard deviation of the length of the hex bolts?

- A. 0.10 inch
- B. 0.19 inch
- C. 0.34 inch
- D. 0.49 inch

E. 0.67 inch

Answer = D

When you add SD, first take Variance, add up and then take Sq root.

Thus New SD =  $\text{Sqrt}(0.24*0.24 + 0.43*0.43) = \text{Sqrt}(0.2425) = 0.49$

**75. The man-hours for project integration activities normally appear at which WBS level?**

- A. 1
- B. 2
- C. Work Package
- D. Level of Effort

The answer is B

As I understood from referring most materials, the 1st of WBS is the Project or the program as a whole. The last level of WBS (usually the 4th) is the work package level. Irrespective of what is there in which level, the cost of integration will definitely be greater in the Work Package level than the cost of integrating the higher level components. As the level of decomposition increases, the costs of integrating each of the pieces will definitely increase. At least this is how I understood.

**76. Define the following Risk types:**

- Favorable Risk
- Opportunity Risk
- Pure Risk
- Business Risk

Business Risk: Positive or Negative Risk, which you need to take for doing business. Like you may have the risk of losing your investment money but also has the positive risk of getting profit.

Pure Risk: This is only negative risk, which can be insurable. And without insurance it is very difficult to plan any suitable response strategy for this risk, like Fire, Flood, Accident, etc.

Opportunity Risk: The risk that a better opportunity will present itself after an irreversible decision had been made.

Favorable Risk: ???

[Favorable Risk and Opportunity Risk I am not sure but isn't it obvious from the words "Opportunity" and "Favorable"]

**77. Define the following Damage types:**

- Compensatory Damages
- Punitive Damages
- Liquidated Damages
- Consequential Damages

Compensatory Damages: damages intended to compensate the injured party for his or her loss. If you lose money because someone doesn't keep his or her promise to you, the court makes that person pay you for your loss.

Punitive Damages: damages intended to punish the wrongdoer. In general, punitive damages are awarded when the wrongdoer violates the law, as opposed to breaking a promise. Punitive damages would not be awarded for a breach of contract.

Liquidated Damages: damages where the amount is specified in the contract, e.g. if the contract includes a clause that says if you don't deliver on time, you will pay \$50,000, those are liquidated damages.

Consequential Damages: damages, which are a consequence of your actions, rather than a direct result of your actions. For example, if I buy a faucet and it's leaky, compensatory damages would replace my faucet, and consequential damages would replace my carpet, which was ruined when the house was flooded. Consequential damages can far exceed the cost of a contract.

**78. Scope verification is a part of:**

- A. Project initiation
- B. Project planning
- C. Project execution
- D. Project controlling

Answer in the source is: C (Reference: PMBOK 3.3.3 & 5.4)

But I think the answer should be 'D' (Ref. PMBOK 3.3.4).

In the PMBOK 2000 version if you look on page ix, "Preface to the 2000 Edition" bullet number 8 states "We moved scope verification from an executing process to a controlling process." so depending on which version of the PMBOK the question is based on the answer will differ.

**79. Define with examples of attribute sampling and variable sampling.**

Attribute Sampling: This is a Pass/Fail QC method. For example, if you were making something critical (pace makers, parachutes, rocket components) where any deviation from perfection is considered unacceptable, then you are doing attribute sampling.

Variable Sampling: You are testing within an acceptable range of deviation. For example, you are filling cereal boxes. The package may say 975g. The tolerance could be +/- 7g, so a box filled to 968g - 982g is OK, any box outside this range would be unacceptable.

Both of these are sampling. So, not every unit would be checked but rather a selected number (eg. 3 out of every 100) and would be used to represent an entire lot or batch. The tolerance for risk, cost of checking, expert judgment, etc. would dictate the sampling rate.

**80. In which process would you be most likely use variable [or attribute, for that matter] sampling?**

- A. Quality planning
- B. Quality assurance
- C. Quality control
- D. Qualitative risk analysis

The answer would be C, quality control.

Variable (sometimes variables) sampling involves products or processes that are measured over a range (or variety) of numbers. For example, the percentage of salt content on potato chips, the depth of concrete for a new highway, the size of the gap between a car door and body for car manufacturers or the length of time it takes a page to load on a web site.

Usually, as in the first three cases, the goal is to hit a target. In other words: (still talking variable sampling) the potato chip maker wants a target amount of salt on the chip, say 2%. More is bad (for health purposes) and less is bad (for taste purposes). If the depth of highway concrete is supposed to be 11 inches, more is bad (waste) and less is bad (early deterioration). In the case of the web site page loading, shorter is better, but we still

measure the results over a range of possibilities, say from 1 to 30 seconds, so our sampling procedure will use variable sampling.

Variable Sampling Examples (actual increments will vary)

Chips: 1.8%, 1.9%, 2.0%, 2.1%, and 2.2%

Concrete: 10.0", 10.5", 11.0", 11.5", and 12.0"

Web page loading: 1 sec, 2 sec, 3 sec, etc.

Attribute sampling involves a yes/no or binary decision. The product has the characteristic (usually a defect) or it doesn't. Attribute sampling is often done in batches of 50. For example, taking 50 bolts off the assembly line to check for defective threads. Or examine 50 out of a thousand lines of code at random to check for mistakes. When the product or service is examined, it will either exhibit the attribute being investigated or not. For example, it either has a mistake or doesn't have a mistake.

Dr. Deming's Red Bead Experiment was an example of attribute sampling. Volunteers from the workshop would dip a paddle with 50 depressions into a bunch of red and white beads. White beads were good, red beads represented defects.

The results of these two types of sampling are usually plotted on a control chart. Control charts are also only used in 8.3 Quality Control, according to PMI. To summarize, I'll write a couple more sample questions.

**81. As part of your project team's quality control procedures, you have decided to measure the length of time it takes for your team to respond to participants who have questions concerning a pilot version of your new product. Because you anticipate hundreds of inquiries, you may decide to use what approach to measure the results?**

- A. Benchmarking
- B. Costs of quality
- C. Attribute sampling
- D. Variable sampling

Since the question focuses on the length of time, the answer is D, variable sampling. The results may vary from .1 hour to 48 hours and could be plotted as a range (or distribution) on a histogram. On the other hand, if the team simply wanted to know if pilot participants liked the product or not, it would be possible to use attribute sampling.

**82. Your project team has created a new way to process claim forms. You want to know the percentage of claims that are now being paid within 10 days. To measure the number of claims that meet the 10-day goal vs. those that don't, which of these quality control techniques would you use?**

- A. Variable sampling
- B. Attribute sampling
- C. Flowcharting
- D. Pareto diagrams

The way the question is worded, the answer is B - attribute sampling. In this situation you would track whether each case met the deadline or it didn't. However, in practice you may actually want to track the number of days it took to resolve each claim on a variable scale of 1 to 100 days, then look at how many were done in 10 days or less. In this case you would be using variable data.

By the way, variable data and attribute data are plotted on different types of control charts.

For the exam, be able to recognize...

- 1) Data examples as either variable (range) or attribute (does or does not have the attribute.)
- 2) The fact the sampling is part of the Quality Control process.

**83. Define and sequence following different stages of the Team Development:**

1. Formation
2. Storming
3. Norming
4. Performing.

The order is Forming --> Storming --> Norming --> Performing.

The 4 stages of team development is called "Tuckman" model. The name is from Bruce Tuckman who wrote about this model in 1965.

Forming: also called floundering - this is the awkward time when a team just comes together and everyone is getting to know each other and each others role(s) on the project. It's time for getting acquainted.

Storming: also called conflict - at this stage teams begin to confront issues and other team members. Conflict over goals, priorities, roles - can cause tension and disagreement. It's time of competitive tension.

Norming: also called organized - team is now demonstrating cohesiveness and cooperation to meet project objectives. At this stage, teams are better able to handle roadblocks because procedures are established and skills have been developed. It's time for developing procedures and policies.

Performing: also called productive - team is performing at a high level and there is mutual trust among the team members. Roles and procedures are accepted, understood and followed. It's now the effective team.

**84. You are establishing a PMO for National Animal Celebrity Management program, which consists of 15 separate projects. The PMO will have a Project Management Information System. This system will be an on-line repository of all program data. You will collect descriptions of all work components for each of the 15 projects. This information will form an integral part of the:**

- A. Chart of Accounts
- B. WBS Dictionary
- C. WBS Structure template
- D. Earned Value Mgmt Reports

Answer is B, but why not C?

We can eliminate A and D right away for obvious reason. For C - WBS structure template? Not likely. We do not know the nature of 15 projects, are they all in certain category/type/industry? So template is not likely. B is the only one left. And yet I have not check the real meaning of WBS Dictionary according to PMBOK.

[Then if you jump Chapter 5 in page 61 and read the definition of WBS Dictionary, you will get the same answer.]

**85. All of the following are true regarding configuration management except:**

- a. Requires all acceptance decisions to be made through the CCB



- b. Serves as a Change control system
- c. Describes the physical characteristics of the product of the project
- d. Control changes to the characteristics of an item

I feel the correct answer is c. Please, let me know if I am correct.

I believe the correct answer is A. Configuration Management is a broad discipline used to track and manage changes to, well, everything. In the context of Project Management, it is used to track and manage any changes to the official documents of the project, including requirements.

The PMBOK specifically defines the CCB, the Change Control Board, as being a group of stakeholders with responsibility for approving changes to the Project Baseline. This is more specific than "all acceptance decisions". Changes, which are not changes to the baseline, can be tracked through CM, without requiring approval by the CCB.

However, to split hairs, there is certain confusion in saying that Configuration Management describes the physical characteristics of the product of the project. Requirements documents describe those characteristics, CM is used to control changes to those requirements.

**86. All of the following are true regarding the Ishiwaka diagram in the quality planning process except:**

- a. They are also called as cause-effect diagram
- b. They are also called as fish Bone diagram
- c. They are the tools and techniques
- d. They are an output of this process.

Answer is d.

I agree with the answer. But I feel that the questions should be relating to Quality Control rather than Quality Planning. Because we don't use Fish bone diagram during the Quality planning process. Please let me know your comments on this.

The PMBOK specifically mentions Ishikawa diagrams as part of the quality planning process. I've never used them personally. From what I've read about them, they are a tool for organizing and visualizing causes of quality issues, used for brainstorming sessions and the like. As such, they would be a planning tool, rather than a quality control tool. Quality control analyzes specific quality issues to find and correct the root cause.

Here's a good link: <http://mot.vuse.vanderbilt.edu/mt322/Ishikawa.htm>

In terms of nomenclature, PMBOK's approach to quality seems to be:

Quality Planning = develop quality management plan, design development processes to maximize quality

Quality Assurance = use the quality management plan during project execution

Quality Control = measure quality and respond to specific quality issues, including rework and updates to development processes

**87. Each of the following describes an element of the scope definition process except:**

- a. Breaking down the major deliverables of the project into smaller, manageable components
- b. Supporting details
- c. Decomposition
- d. Improving the accuracy of time and Cost Estimates

The correct answer is c.

I agree that we don't have "supporting detail" as part of input/tool and techniques and output. Can any one help me to understand how does the scope definition process helps in improving the accuracy of time and Cost Estimates. It is because the output of the scope definition is WBS, which provides the schedule dates and cost budget. How does this works?

A and C are gimmies. Scope definition involves creating the WBS, which is decomposition of the project deliverables. The other two, ugh. There is no mention of supporting details, but there is mention of other planning outputs. Scope Planning, for example, has supporting detail as an output. There is no doubt that scope definition results improved accuracy of time and cost estimates; but this is not an element of the scope definition process, this is a result of the process that occurs later on in other processes. If I didn't think about it, I would pick B. On careful reflection, with the book in front of me, I would pick D. My guess is we're putting a lot more thought into this question than the author did.

**88. You have a choice of accepting a fixed price contract for \$115,000 with a liquidated damages clause or \$100,000 without the clause. There is a 60% chance your cost will be \$90,000 and 40% chance your cost will be \$80,000. There is a 98% chance of meeting your schedule but the penalty if missed is \$50,000. Which is the best contract choice and how much profit would you make?**

- A. Contract without the clause; profit is \$14,000
- B. Contract without the clause; profit is \$27,980
- C. Contract with the clause; profit is \$14,000
- D. None of the above

Answer: D

A liquidated damages clause is a clause in the contract that specifies a dollar amount to be paid if some provision of the contract is not met. It is a way of contractually setting the damages for some failure to perform.

The answer to the problem is (from a previous post):

You get the expected value multiplying an outcome by the probability of it occurring, and adding up these products for all outcomes.

For the contract without the clause, you get paid \$100,000. One outcome is that you will spend \$90,000. Your profit will be \$10,000. There is a 60% chance of this outcome occurring, so you get  $\$10,000 \times 0.6 = \$6,000$ . The other outcome is that you will spend \$80,000. Your profit will be \$20,000. There is a 40% chance of this outcome occurring, so you get  $\$20,000 \times 0.4 = \$8,000$ . If you add these two up, you get \$14,000. If you decide to take the \$100,000 contract, your "average" profit will be \$14,000.

For the contract with the clause, you get paid \$115,000. If you will spend \$90,000, your profit will be \$25,000. There is a 60% chance of this outcome occurring, so you get  $\$25,000 \times 0.6 = \$15,000$ . If you spend \$80,000, your profit will be \$35,000. There is a 40% chance of this outcome occurring, so you get  $\$35,000 \times 0.4 = \$14,000$ . Since the problem doesn't say otherwise, assume that no matter how much you spend, there is a 2% of missing the schedule. If you do, you pay \$50,000.  $\$50,000 \times 0.02 = \$1,000$ . You will subtract this amount from the total, since this money would come out of your profit. If you add these all up, you get  $\$15,000 + \$14,000 - \$1,000 = \$28,000$ . If you decide to take the \$115,000 contract with the liquidated damages clause, your "average" profit will be \$28,000.

Correct answer is contract with clause, expected profit \$28,000.

**89. Some times, I get confused on the problems relating IRR and payback period. If I have a Problem, which talks about the cash inflow, pay back period and IRR. Which one should I consider as first criteria while choosing the best project between the two projects?**

IRR, Internal Rate of Return, implies a positive cash flow, i.e. and IRR of 10% means you are getting \$1.10 for every dollar invested in the project. This is like saying the Benefit to

Cost Ratio (BCR) is 1.1. A payback period implies that the project is losing money, until the payback period is ended. In the absence of any other information, I would pick a project with a positive cash flow, a positive IRR, or a BCR > 1, over a project with any payback period. If you had more information, you would want to figure out or know the current value of the project over the life of the "product". This is Net Present Value; the project with the largest NPV wins.

On the other hand, a project with a payback period will eventually break even. A project with a negative IRR, a BCR < 1.0, or a negative NPV, will always lose money. In this case the project with the payback period wins.

**90. What do you understand of the different kinds of the Risk managers?**

Risk-mitigation Manager  
Risk-Averse Manager  
Risk-Seeking Manager  
Risk-Neutral Manager

The attitude of a person towards risk is revealed by his or her utility function. The utility function is a graph with X-axis representing the amount of "money" a person has (for investment, say) and the Y-axis representing "utility" or how much that money is worth to us.

A convex curve (increasing slowly initially and then faster) indicates a "risk seeker". It indicates that as the payoff in question gets larger, the utility of it increases much more quickly for you. So you are willing to take more risks to make more money.

A concave curve (increasing quick initially then flattening out) indicates a "risk averse" person. This indicates that money is initially valuable, but once you already have a lot of money, you will be less inclined to risk it all for more money.

A straight 45-degree line indicates a "risk neutral" person. For such a person, every dollar is worth as much as the other.

In answer to your question, for a risk-averse person, utility is decreasing as he will be less inclined to bet his money on a venture where the expected value is not fully known.

I have not heard of anyone being called a "risk mitigation" manager. Risk mitigation is a risk response. It should not affect your attitude to risk.

**91. You plan to issue a purchase order (PO) to a supplier to provide services to the project. The contract is in place when:**

- a) Both offer and acceptance has occurred
- b) It has been received by the buyer
- c) It is signed by both seller and buyer
- d) It is issued by the project procurement section

Answer is (a). I thought it is (d) as Purchase Order is a Unilateral arrangement.

A is the correct answer. A purchase order is unilateral only in the sense that one party sets all of the terms of the contract; the party that issues the PO is saying, "If you send me these goods or provide these services, I agree to pay you this much". The other party accepts the contract by sending the goods or providing the services. If the party does not send the goods or provide the services, there is no contract. On the other hand, if the party who receives the PO and does provide the goods or services, it is implicit acceptance of all of the terms and conditions of the PO.

B is not correct because the buyer typically issues the purchase order to the seller. Even if the seller receives the purchase order, there is no contract until the seller accepts, i.e. sells

the goods or services to the buyer. There is one exception to this: if the seller previously provided a quote for the goods and services, this constitutes an offer. If the PO is issued with identical terms and conditions against the quote, this constitutes an acceptance of the offer, and a contract is in place (NOTE:if this happens, A is still the correct answer, there has been an offer and an acceptance of the offer). If any of the T&C's are different, it is a counter offer and a contract is not in place until the seller accepts the offer by providing the goods or services.

C is not true because a purchase order is signed by just one of the parties.

D is not true for the same reasons as B, with the additional reason that the seller has not yet received the PO. So even if the seller provided a quote and a PO was issued, if it was never delivered to the seller, no contract is in place.

**92. Measuring the probability and consequences of risks is part of:**

- A. Risk management planning
- B. Risk identification
- C. Qualitative risk analysis
- D. Quantitative risk analysis

Answer: A. (I feel the answer should be C. Any thoughts?)

Notice, the key word in the first question is "Measuring". This would imply D - quantitative risk analysis. It would not be A, because Risk Management Planning deals with your general approach to managing risk, not with specific risks. Risk Identification doesn't involve any estimation of the probability of a risk or the impact. Qualitative Analysis involves a broad determination of the probability and impact of risks, but I would argue that there is no "measurement" done in qualitative analysis.

**93. When there is uncertainty associated with one or more aspects of the project, one of the first steps to take is to:**

- a. Revise project plan
- b. Conduct a risk-benefit analysis
- c. Conduct a needs analysis
- d. Increase the estimated cost of the project

I would pick B - conduct a risk benefit analysis, because the first thing you want to do is understand the nature of the risk. How you respond this analysis may result in any of the other three actions.

**94. One of the engineers on your team performs a presentation to a perspective client about a proposed design. In answering questions, the engineer reveals that she does not agree with the way in which this system is engineered during the presentation. What are your options as the project manager of the engineer, listening to the presentation?**

- a) Immediately stop the engineer and do damage control
- b) Ask the engineer to explain the discrepancy and what recommendations she can offer
- c) Communicate an openness to the problem and lead a discussion to resolve the issues
- d) Rephrase the problem to ensure that everyone understands the various major points and solicit input from everyone

A would be my first response. Presumably, any design issues will be hashed out before this presentation is made. As the PM, you should know why the design choices were made and should be able to answer the engineer's concerns directly to the client as part of your damage control. If there are pending design issues, these should be noted in the presentation, and the engineer's comments can be placed in the context of these noted issues.

B puts the loose cannon engineer in the driver's seat, and solicits design decisions from the client. I am assuming that the client is using the project team for its expertise, and as such should not be involved in these decisions.

C again involves the client in the design process.

D allows the PM to regain control of the meeting, and allows the client to respond to the issue so they don't think anything is being swept under the rug, but the PM is not making any commitment to any particular course of action. This would be my second choice, and I would do this if the client pressed the issue. Still, by airing the issue in front of the client, you will increase the client's angst about the project.

The PM needs to provide immediate feedback to the engineer after the meeting in a situation like this. When a client is depending on the expertise of the project team, it is imperative that the team provides a uniform face to the client, and that all conflict is resolved internally instead of in front of the client. Open conflict in front of the client will undermine the client's confidence in the project team and jeopardize the project. If the engineer has issues with the design, those should be discussed openly at internal project meetings, and resolution should be reached internally, and then everybody should abide by the resolution.

**95. When components in a system are arranged in parallel, system reliability be:**

- a. Better than the best component
- b. As good as the best component
- c. As good as the weakest component
- d. The product of the reliability of individual components

Answer is b. (No, correct answer will be A)

Regarding parallel and serial reliability: for components arranged in parallel, the reliability is better than the best component and for components arranged in serial, the reliability of the system is worse than the worst component. When components are arranged in parallel, only one of the units need to be successful for the whole system to be a success (i.e. the system fails only when every unit fails). There is redundancy built into the system. In a series arrangement, the failure of any one of the components leads to the failure of the whole system.

Here is an example:

Suppose two components with reliability 0.3 and 0.6 are arranged in parallel; then the reliability of the system is given by:

$$R = 1 - [(1-R_1)(1-R_2)] = 1 - (0.7)(0.4) = 0.72, \text{ which is better than both } 0.7 \text{ and } 0.4.$$

If two components with reliability 0.3 and 0.6 are arranged in series, then the reliability of the system is given by:

$$R = R_1 * R_2 = 0.3 * 0.6 = 0.18, \text{ which is lower than both } 0.3 \text{ and } 0.6.$$

Also, a parallel configuration (because of its redundancy) gives you a higher reliability (.72) than a similar serial configuration (.18).

[Another way to look into this is:

If, 1<sup>st</sup>S -> 1<sup>st</sup> being successful, 1<sup>st</sup>F -> 1<sup>st</sup> being unsuccessful, and 2<sup>nd</sup>S -> 2<sup>nd</sup> being successful, 2<sup>nd</sup>F -> 2<sup>nd</sup> being unsuccessful, then

$$\text{Probability of } 1^{\text{st}}\text{S} + 2^{\text{nd}}\text{S} = 0.3 * 0.6 = 0.18$$

$$\text{Probability of } 1^{\text{st}}\text{S} + 2^{\text{nd}}\text{F} = 0.3 * 0.4 = 0.12$$

Probability of 1<sup>st</sup>F + 2<sup>nd</sup>S =  $0.7 * 0.6 = 0.42$

Probability of 1<sup>st</sup>F + 2<sup>nd</sup>F =  $0.7 * 0.4 = 0.28$

So, when they are in parallel, Probability of success = Probability of at least one being successful =  $0.18 + 0.12 + 0.42 = 0.72$

And, when they are in series, Probability of success = probability of both being successful = 0.18]

So, the answer to this question is (a).

**96. When components in a system are arranged in series, system reliability be:**

- a. Better than the best component
- b. As good as the weakest component
- c. Lower than the weakest component
- d. The sum of the reliability of individual components

Answer is c (True, please refer to the logic of item 96 above)

**97. An electronic component had a reliability of 0.90. Two of these components are arranged in series in a sub-assembly. The system reliability for the sub-assembly is:**

- a. 0.90
- b. 1.80
- c. 0.81
- d. 0.99.

Answer is c

As they are in series, System reliability =  $0.9 * 0.9 = 0.81$ . (Refer to item 96 above)

**98. The project Manager determines that 100% inspection is required for the product. The best statement to describe this approach is:**

- A. This is best proven method to ensure quality
- B. No defect will go undetected
- C. This is an expensive ineffective approach to quality Management.
- D. Sorting out the good items from the bad

Answer: C

A is not right because 100% inspection is not the best proven method to ensure quality. B is not true because an inspection is not always guaranteed to catch every defect. D is not right because you shouldn't be designing a system where you have to sort good items from bad after implementation. C is an accepted norm of modern quality management and the reason why acceptance sampling is followed.

**99. What is acceptance Sampling. What are referred as consumer's and producer's risk?**

Acceptance Sampling: is accepting a lot on the basis of inspecting a small representative sample, rather than the whole population. The acceptance level is specified beforehand.

Producer's risk versus Consumer's risk: While doing sample inspection, we may come to the following four situations:

1. Lot is actually good and is certified as good – nobody's risk
2. Lot is actually bad and is certified as bad – nobody's risk
3. Lot is actually bad, but is certified as good – consumer's risk
4. Lot is actually good, but is certified as bad – producer's risk

**100. The specifications for a particular part are "10 +/-0.015". The associated process produce parts with a mean of 10 and a standard deviation of 0.002. The process capability index is:**

- a. 0.0002
- b. 1.0
- c. 2.5
- d. 7.5

Answer is c

Process Capability Index is the expected fraction of non-conforming units and is given by:

$$PCI = (\text{Upper Spec Limit} - \text{Lower Spec Limit}) / (6 * \text{Sigma})$$

$$= (10.015 - 9.985) / (6 * 0.002)$$

$$= 0.03 / 0.012 = 2.5, \text{ so answer is c.}$$

**101. A process characteristic has a true (population) mean of 150 and a true (population) standard deviation of 20. A sample of 25 items is taken from this process. The standard deviation of the sample is:**

- a. 0.2
- b. 0.8
- c. 4.0
- d. 5.0

Answer is c

The "Std Dev of the sample" is = (SD of population) / Sqrt(sample)

$$= 20 / \text{sqrt}(25) = 20/5 = 4 \text{ and the answer is c.}$$

**102. Can anyone explain what is the meaning of Tic Chart and what is the purpose of the same?**

It is called a Tic Sheet or a Check Sheet. The Check Sheet is used to keep track of the frequency with which certain things occur. For example, the number of times the machine broke down etc. Tally marks are used for keeping track of the occurrences.

**103. The customer has negotiated a cost plus incentive fee contract with a vendor. The contract has a target cost of 300,000, a target fee of 40,000, a share ratio of 80/20, a maximum fee of 60,000, and a minimum fee of \$10,000. If the seller has actual costs of 380,000, how much fee will the vendor collect?**

- a) \$10,000
- b) \$24,000
- c) \$60,000
- d) \$404,000

Answer: b

The CPIF is a theoretically a cost-reimbursable contract. However, with the addition of the share ratio and the incentive fee, thresholds are set for the minimum and max fee that the vendor can achieve. So, if the actual cost was much lesser than the target cost, the sum of the vendor's share of the cost savings plus the target fee will still cap at the max or ceiling fee. Similarly, even if there were major cost overruns, the vendor would be assured of getting the minimum fee.

In this particular example, the max and min fee seem to be extraneous information (we don't need to use them).

Target cost = 300K, Actual cost = 380K  
Target fee = 40K, Max fee = 60K, Min fee = 10K  
Share ratio = 80/20

Cost overrun =  $(380K - 300K) = 80K$   
Vendor's share of the cost overrun is 20% of 80K = 16K  
Vendor's fee = target fee - vendor's share of cost overrun  
=  $40K - 16K = 24K$

We make sure that the vendor fee is greater than the min fee and not greater than the max fee.

So, the answer is (b). The vendor will collect 24,000.

Minimum and Maximum Fee caps will be useful in the following cases: If the actual costs are more than \$450,000, the seller will pay 20% of the \$150,000 over target, \$30,000. At this point, the seller's fee is at the minimum of \$10,000, and the seller will get this amount of profit no matter how much more over-budget the project goes.

If the actual costs are less \$200,000, the seller collects 20% of the \$100,000 under budget, or \$20,000 dollars. The fee will be at the maximum of \$60,000, and the seller will get this fee no matter how much more under-budget the project goes.

**104. A company is considering an investment of \$80,000 at the present time. There is a 55% probability that the investment will perform well and a 45% probability that it will perform poorly. If the investment performs well, the payoff will be \$200,000 one year from now. If it performs poorly, the project will be retired at no cost one year from now. Assuming a 10% discount rate, should the company make that investment?**

- A. Yes, since  $\$200,000 > \$80,000$
- B. Yes, since  $\$100,000 > \$80,000$
- C. No, since  $\$80,000 < \$100,000$
- D. Yes, since the project may be retired at no cost.

Answer: B.

There is 55% chance that the project will succeed and if it succeeds, the payoff will be \$200,000. So the expected value of success is  $0.55 * 200,000 = 110,000$ .

The Present Value of this at time 0 (NOW) at a discount rate of 10% is  $110,000 / (1.1)^{**1} = 100,000$  – this is ROI (return of Investment).

If there is a loss, at time 0 (NOW), all we lose is \$80,000 – this is investment.

Since  $\$100,000 > \$80,000$  (choice B), the investment should be made.

**105. Measuring the probability and consequences of risks is part of**

- A. Risk management planning
- B. Risk identification
- C. Qualitative risk analysis
- D. Quantitative risk analysis

My answer: A (I feel the answer should be C.)

My opinion, the key word in this question is "Measuring". This would imply D - quantitative risk analysis. It would not be A, because Risk Management Planning deals with your general approach to managing risk, not with specific risks. Risk Identification doesn't



involve any estimation of the probability of a risk or the impact. Qualitative Analysis involves a broad determination of the probability and impact of risks, but I would argue that there is no "measurement" done in qualitative analysis.

**106. When there is uncertainty associated with one or more aspects of the project, one of the first steps to take is to:**

- a. Revise project plan
- b. Conduct a risk-benefit analysis
- c. Conduct a needs analysis
- d. Increase the estimated cost of the project

I would pick B - conduct a risk benefit analysis, because the first thing you want to do is understand the nature of the risk. How you respond this analysis may result in any of the other three actions.

**107. One of the engineers on your team performs a presentation to a perspective client about a proposed design. In answering questions, the engineer reveals that she does not agree with the way in which this system is engineered during the presentation. What are your options as the project manager of the engineer, listening to the presentation?**

- a) Immediately stop the engineer and do damage control
- b) Ask the engineer to explain the discrepancy and what recommendations she can offer
- c) Communicate openness to the problem and lead a discussion to resolve the issues
- d) Rephrase the problem to ensure that everyone understands the various major points and solicit input from everyone

A would be my first response. Presumably, any design issues will be hashed out before this presentation is made. As the PM, you should know why the design choices were made and should be able to answer the engineer's concerns directly to the client as part of your damage control. If there are pending design issues, these should be noted in the presentation, and the engineer's comments can be placed in the context of these noted issues. B puts the loose cannon engineer in the driver's seat, and solicits design decisions from the client. I am assuming that the client is using the project team for it's expertise, and as such should not be involved in these decisions. C again involves the client in the design process. D allows the PM to regain control of the meeting, and allows the client to respond to the issue so they don't think anything is being swept under the rug, but the PM is not making any commitment to any particular course of action. This would be my second choice, and I would do this if the client pressed the issue. Still, by airing the issue in front of the client, you will increase the client's angst about the project.

The PM needs to provide immediate feedback to the engineer after the meeting in a situation like this. When a client is depending on the expertise of the project team, it is imperative that the team provides a uniform face to the client, and that all conflict be resolved internally instead of in front of the client. Open conflict in front of the client will undermine the client's confidence in the project team and jeopardize the project. If the engineer has issues with the design, those should be discussed openly at internal project meetings, and resolution should be reached internally, and then everybody should abide by the resolution.

**108. Communication is the key to the success of a project. As the project manager, you have four stakeholders with whom you need to communicate. As such, you have six channels of communication. A new stakeholder has been added that you also need to communicate with. How many communication channels do you have now?**

A. 7

- B. 10
- C. 12
- D. 16

Answer:  $5 \times 4 / 2 = 10$ , B.

But I think this is wrong. If you are the PM and have four stakeholders to communicate with, there are 5 people involved and 10 channels. When you add a new stakeholder, you have 6 people and 15 channels.

The formula stated in this question is  $N(N-1)/2$  where N equals the number of people.

How to derive this Formula: The Attached calculation will help to realize the concept of communication channel.

Say, there are "n" Persons and they are having communication with each other. We need to find how many communication channels are possible here.

Take the case of the first person. He can communicate with rest of the (n-1) person. So, here are (n-1) communication channels.

The Second person can communicate with ((n-1)-1) person because his communication with the first person is already taken into account for the calculation of first person. So, here are (n-2) communication channels.

Similarly, the third person can communicate with ((n-1)-2) because his communication with the first and second person is already taken into account for the calculation of first and second person. So, it's (n-3) channels.

Like that, if we proceed, the total no of Channels used by n person, will be = (n-1)+(n-2)+(n-3)+.....+1 = 1+2+3+.....+(n-1)

We have a sum of an AP series for "(n-1)" number whose first number is "1" and the common difference is also "1".

The Formula for Sum of AP series is:  $S = n[2a+(n-1)d]/2$

(where, n = total numbers, a = first number, d = common difference)

So, it gives us the Total Communication Channel

$$= (n-1) \times [2 \times 1 + ((n-1)-1) \times 1] / 2 = (n-1) \times [2 + (n-2)] / 2 = n \times (n-1) / 2$$

Hope this helps.

**109. Project Managers need to resolve conflicts primarily with:**

- a. Superiors
- b. Subordinates
- c. Functional personnel
- d. Sponsors

I would pick C - Functional Personnel. Functional Managers have a different agenda than the project manager, and different functional managers have different agendas from each other. They frequently are in competition with each other for company resources and political influence, and they may get no direct benefit from supporting your project. Functional workers who are involved with your project frequently have additional responsibilities outside of the project and are responsible primarily to their functional managers, and are only indirectly responsible to the project manager. All of these factors tend to make cross-functional projects focal points for conflicts that may be larger than the project itself. For each of the other choices: superiors, subordinates, and sponsors, the relationship with the project manager is much more clear and well defined, so there is less opportunity for conflict.

**110. Which of the following questions is a functional Manager most likely to ask:**

- a. How much money is available to do the task?
- b. Why will the task be done?
- c. Who will do the task?

d. When will the task be done?

Answer: c

'A' is a budget question that should have nothing to do with the Functional Manager's area of responsibility. 'B' again is a Project Justification which should be part of the Scope Statement and hence the PM's responsibility 'D' is a schedule question, which is the responsibility of the PM. So, the answer is 'C', because in a matrix organization, the Functional Manager holds the resources and the PM will have to request and negotiate for the resources needed for the project. Hence, a Functional Manager is most likely to ask "who will do the task".

**111. An individual who is still working on the satisfaction of physiological needs had essentially satisfied which needs:**

- a. Safety
- b. Empowerment/Authority
- c. Self preservation
- d. Self Esteem

Answer C

This is slightly confusing. By the process of elimination, we know (based on Maslow's Hierarchy of Needs - Physiological, Safety, Social, Self-Esteem and Self-Actualization) that "Safety" is the second level. Similarly, Self-Esteem is at the fourth level.

Empowerment or authority (even though not part of Maslow's theory) is still not something that would have already been satisfied for someone who is still trying to meet basic physiological needs of food, shelter and clothing. This leaves only 'C' – Self-preservation. To me, self-preservation represents the high end of the Physiological needs and the low end of the Safety need.

Hence even though I would choose 'C', it does not seem like a clear-cut answer. It just seems to be the best choice.

**112. Each Organization measures project team performance in its own way. However on which combination of the following objectives do most managers seem to agree?**

- a. Achievement of technical specification and staying within budget
- b. Achievement of technical specifications, staying within budget, on time performance and team members' professional growth
- c. Achievement of technical specifications, on time performance and staying with budget
- d. Staying within budget and on time performance

Answer is c

"Project Team Performance" surely will not be right if project result does not maintain 'technical specification' (it's a Scope) – hence choice D is out. Other two important components of Triple Constraints are Time and Cost. Choice A has only Scope and Cost. All three (Scope, Time and Cost) are covered in choice C and B. But many organization may not give much importance to the fourth factor – 'Team members' professional growth' – of choice B, as the project may be done under contract and buyer company may not be interested on this aspect, at all. Hence, the right choice is C.

**113. The Project Manager's ability to influence others using power derived from the same source as Reward Power, is called:**

- a. De facto Authority
- b. Charter Authority
- c. Penalty Power
- d. Referent power

Answer is C

Reward Power is based on the right of the PM to offer rewards to others for doing what is wanted or expected of them and to be able to deny the reward for failing to do what is desired or expected of them. So "reward" is "positive reward" and "penalty" is "negative reward" and both are derived from the same source called Reward Power. Hence Answer C.

- 114. In the PMP Exam Preparation book by ESI, page 5-9 I found the following sentence: "Monte Carlo analysis is considered a superior approach to analyzing the schedule when compared to PERT and CPM. This is true because PERT and CPM fail to account for path convergence and, as a result, tend to underestimate project durations". Can anybody explain me the concept about path convergence and why Monte Carlo analysis is the best way to analyze schedule?**

Answer: Path convergence and Monte Carlo analyze Path convergence, in this context, means that several different paths converge to the same node. From a probabilistic viewpoint, there are several possible paths for the critical path. The problem with CPM, or with using PERT with the "most likely" estimates, is that only one path is considered. For example, consider a project with only two tasks in parallel:

Task A: Pessimistic: 5, Likely: 4, Optimistic: 3

Task B: Pessimistic: 10, Likely: 3, Optimistic: 2

PERT or CPM would say Task A was on the critical path. However, there's a chance that Task B will take longer, and that Task B will actually be on the critical path. A Monte Carlo simulation would take this into account. This is especially important in large projects where the network diagram is complex. A Monte Carlo simulation can identify "near critical" paths.

- 115. An RFP is issued during which step in the procurement process?**

- a. Procurement Planning
- b. Solicitation Planning
- c. Solicitation
- d. Source selection

The book Answer is b.

I disagree; the answer should be C. Solicitation involves obtaining responses from prospective proposer. So, if this were true, the RFP would have to be issued in the solicitation process NOT the Solicitation Planning Process. The solicitation planning process would involve developing the RFP prior to issuing the RFP to prospective proposers. In fact, the RFP document is an input into the solicitation process. Therefore, an RFP cannot be issued until after the solicitation planning process which in this case would be the solicitation process.

I agree with most of what you are saying, except for the piece that is about RFP being an input to the solicitation process.

As I understood it, Solicitation Planning is the process where you prepare the Request for Proposal (RFP). And as documented in the PMBOK, RFP is an output of the Solicitation Planning process. So, even though issuing an RFP is the last process of Solicitation Planning, it still belongs there. It is a deliverable of Solicitation Planning. Solicitation is the process where we get the response to the RFP or the "Proposal" from the various qualified vendors. So, the input to the Solicitation process is the "response to the RFP" and not the "RFP". The PMBOK categorizes both the output of the Solicitation Planning process and the input to the Solicitation process under the general "Procurement Documents" heading.

The detail description for each does differentiate the kind of procurement document associated with each process. So, I would be comfortable with Answer (B).

**116. In which type of organization is team building likely to be most difficult.**

- a. Functional
- b. Projectized
- c. Matrix
- d. Project expeditor

I hope the answer is C.

I would agree with C, as a matrix organization would require the team to report to two different managers (the PM and the functional manager). That would make team and morale building more difficult than in the other cases where you have loyalty to only one manager (Functional Manger in cases (a) and (d) and the PM in (b)).

**117. There are hard causes of conflict (e.g. conflicting schedules) and soft causes. Soft causes are as important as hard causes. Soft causes include diversity of disciplinary expertise, \_\_\_\_\_ and the project manager's power of reward and punishment.**

- a. Performance tradeoff
- b. Ambiguity of roles
- c. Administrative procedure
- d. Determining earned values

Answer: B

The seven causes of "hard conflict" are: (1) Schedules, (2) Priorities, (3) Resources, (4) Technical issues, (5) Administrative issues, (6) Personality and (7) Cost.

'A' relates to technical issues. 'C' relates to administrative issues and 'D' relates to cost conflicts. So, the answer is 'B' - ambiguity of roles that is a "soft cause.

Other soft causes include: lack of perceived relationships between the project's goals and top management's goals, lack of open support for the project by senior management etc.

**118. The Conflict resolution method that should be used when there is a high concern for personal goals and a high concern for relationships is:**

- a. Problem solving
- b. Compromising
- c. Smoothing
- d. Forcing

"Compromising" provides average concern for personal goals and average concern for relationships. Neither side wins nor loses. "Smoothing" - high for relationships because disagreements appear minimized and low for personal goals because does not really lead to a permanent solution. Conflict is just pushed to a future time. "Forcing" - high for personal goals because one party gets exactly what they needed. Low for relationships as this is not a good way to foster team building. So, correct answer is A. "Problem solving" - high for personal goals as the correct solution is chosen and there is less room for ambiguity leading to high for relationships, as the conflict is permanently resolved.

**119. Your client informs that his company has a problem with the current design specs of your product and how it will interface with the existing systems. If this occurs, it could be a major problem for your project. The client is coming to your office in one week to discuss the problem and to see what your team can do to overcome this**

**setback. All previous meetings were informal with this client, but now he wants a formal meeting. What should you do to prepare for this meeting?**

- a) Update the schedules and assume an active role since the client has not given you the specifics of the potential problem
- b) Make sure that the team has increased productivity so the client can see how efficient your team is performing
- c) Assemble the team and ask them to prepare an agenda for topics to discuss
- d) Make sure that each team member has his assignment in preparation for any handouts and needed plans

'B' is not correct, as no mention about productivity has come about. 'C' is not right because the client has requested the meeting and should have his/her own agenda of topics to discuss. If this were a regular status review meeting, the PM would prepare the agenda. 'D' is a waste of time when you don't know the true agenda. 'A' is the correct response given that the client has not described the true problem. If this is a design issue that the client had originally signed off, what could be needed might be an appropriate Change Request. There is also the chance that the client has misunderstood the issue and there is no real problem. All the PM can do is assume an active role and be prepared to resolve the stakeholder's issues.

**120. Listening involves more than hearing sounds. The good listener**

- a) Repeats some of the things said
- b) Finishes the speaker's sentence
- c) Writes everything down
- d) Nods his head frequently

B is bad listening. C is not good listening because you are not concentrating on what the other person is saying. Now, it gets confusing because a good listener should provide feedback by repeating or summarizing some of the things said (A). A good listener should also node (D) frequently to show that they understand and that they are listening. So, A and D both seem correct. Can someone else clarify...

**121. Which of the following is associated with a buyer's request for material to meet a particular need:**

- a) Material warranty
- b) Material guarantee
- c) Implied warranty of salability
- d) Implied warranty of fitness for a particular purpose
- e) A and C only

A warranty or guarantee as in (A or B) above should just be an agreement to deliver the goods or services in a non-defective condition. Implied warranty of salability (C) or merchantability just says that the goods should be suitable for the general purpose that such goods are used for. Implied warranty of fitness for a particular purpose (D) refers to the warranty that the goods sold to the buyer are suitable for the special purpose of the buyer. So, answer would be D.

**122. What does letter of agreement include?**

- a) Meeting information and feedback
- b) Project description and signature
- c) Goal and budget
- d) Reports and communication plan

As I understand it, Memorandum of Understanding (MOU) and Letter of Intent/Agreement (LOI/LOA) are all pre-contract agreement that will authorize the beginning of work before the actual contract is signed. I would think that a LOA should have the goal and the budget, indicating how much money is available to begin the work. So answer is C. The answer cannot be A or D, because that does not authorize the beginning of work. B or the actual project description and the signature should be part of the actual contract.

**123. A project Manager is creating a Risk Management Plan. What step of Risk Management is Project Manager in?**

- A. Risk identification
- B. Risk quantification
- C. Risk Response Development
- D. Risk Response Control

Answer provided is C.

How is that possible? I understanding is RMP is developed in Risk Management Planning per PMBOK 2000ed. Please give your feedbacks.

According to PMBOK page 38 and page 128, the output from the Risk Management Planning Process is the Risk Management Plan. Therefore, developing the Risk Management Plan is done during the planning stage. The Risk Management Plan is the "...process of deciding how to approach and plan the risk management activities for a project" (PMBOK page 129). Clearly, the answer to the question is incorrect.

**124. Constructive team roles include:**

- A. Encourager, initiator and gatekeeper.
- B. Information giver, devil's advocate and clarifier.
- C. Withdrawer, harmonizer and blocker.
- D. Summarizer, recognition seeker and information seeker.

Correct Answer: A

Constructive and destructive are team roles that indicate how your attitude effects overall team development. A constructive team role is one that helps team development and a destructive one is that which hampers team development.

Accordingly, Constructive team roles are:

1. Initiator - lets do this
2. Information seeker - don't we have better information?
3. Information giver - My experience has been that...
4. Encourager - Mary, that was very helpful
5. Clarifiers - I believe we are saying that....
6. Gate Keeper - We have not heard Mary's opinion on this issue yet. What do you think, Mary?
7. Harmonizer - I believe that we are all saying the same thing
8. Summarizer - I feel that we can now reach an agreement

As opposed to the above positive roles, Destructive team roles are:

1. Aggressor – criticizes and attempts to deflate other
2. Blocker – does not want to listen to what other people say
3. Withdrawer – is withdrawn
4. Recognition seeker – sole purpose is to attract attention and gain recognition
5. Topic jumper – jumps topics
6. Dominator – dominates the discussion
7. Devil's advocate – always pokes hole in other's logic

As you can see, B, C and D have a destructive role each. A is the correct answer with all three roles being constructive

[Note: Devils Advocate is normally used for a constructive purpose. A person plays the role of negating many suggestions to evoke team members to participate and come up with ideas. It's commonly used as an idea generation technique. Hence I feel Devil's Advocate is not a destructive role. It is true that it can be positive or negative. I have usually seen it classified as "destructive" just because when used in extreme, you really prevent others from feeling safe enough to voice their own opinion.]

**125. A lessons learned is BEST completed by:**

- a. Project Manger
- b. Team
- c. Management
- d. Stakeholder.

Answer: D

My answer is B (Team), Rita's answer is D (Stakeholder). The team (or people in the team) who went through the project and know the mistakes made, error, etc.

[Ref: PMBOK 2000 page 16]

Project Stakeholders are individuals and organizations, who are actively involved in the project or whose interests may be positively or negatively affected by the result of the project execution. Key Stakeholders include: Project Manager, Customer, Performing Organization, Project Team Members and Sponsor. Since the stakeholders' interest is affected (positively or negatively), they are best candidates for capturing the lessons learned. And please note that the project team is the subset of Project Stakeholders.

[I elaborate it here....]

The sponsor and management are in the best position to judge the success of the project, and they probably can provide the most important input to the lessons learned documents. Specifically, you need to find out if they were adequately informed of project issues, what issues they considered to be important, and if they felt you had the project under control (if not, why not), and if they feel their business needs were addressed by the project. The lessons learned meeting also provides an excellent opportunity to get feedback from your superiors outside of the formal review process. You should have a lessons learned meeting with them, and invite any senior team members that you might be grooming for management.

You should have a separate meeting with the team members to find if they were adequately supported in their efforts to execute the project, and what their perceptions on the execution of the project were. This is the meeting where you find out how effective you were as a leader. As their leader and manager, it's your job to give the team members what they need to perform well, whether it is clear direction, needed resources, motivation, or a KITA. Also, as you indicate in your question, the team has the most information about the project execution, and they know about many issues of which (hopefully) everyone outside the project is ignorant. But by the same token, many team members are completely oblivious to the business needs of their employers, or to the entire concept of fitness of use for the client.

You should have yet another meeting with the client to ensure that the end product was what they expected. They don't necessarily need to get everything they wanted, but there should be no surprises come the delivery date.

Lessons learned should be gathered from all of these sources, i.e. all of the stakeholders. If you include only the team members you are limiting the utility of the lessons learned documents.

[It's not yet over...]

For the purposes of passing the PMP Exam, look at the first mention of Lessons Learned in the PMBOK, page 49. Lessons Learned become part of the historical database for the



present project and other projects of the performing organization. The organization that does the work of the project should perform the lessons learned. The project work is accomplished by the 'team', therefore the team does the lessons learned so they can improve what they do for the next phase of the project or for the next project. So the answer should be B.

**126. Using the data shown: TARGET COST: 12,000, TARGET FEE: 1000, SHARE RATION: 80/20 and PRICE CEILING: 14,000. The point of total assumption occurs at a cost of:**

- A. 12,250
- B. 12,750
- C. 13,250
- D. 14,000

The answer listed is: C (13,250 ????????)

The **Point of Total Assumption (PTA)** is related to Fixed Price Incentive contracts. It is the point at which seller assumes 100% of the cost overruns (just before the ceiling price is reached). At this point, Actual Cost plus Actual Fee equals to the Ceiling Price. It is the point where a FPIF contract turns into a Firm Fixed Price contract, because at this point the profit the seller will make equals what he/she has already spent on it. So, the only way to make money is to continue with the project.

$$PTA = \text{Target Cost} + (\text{Ceiling Price} - \text{Target Price}) / \text{Buyer's Share}$$

Target Cost = 12000  
Target Fee = 1000  
Target Price = 12000 + 1000 = 13000  
Ceiling Price = 14000  
Buyer's ratio = 80%

$$PTA = 12000 + (14000 - 13000)/0.8 = 13250. \text{ So, answer is (C).}$$

[Check this way...]

When Actual Cost = 13250, cost overrun is  $13250 - 12000 = 1250$ . So Incentive (actually penalty) =  $-1250 * 0.20 = -250$  and Net Fee =  $1000 - 250 = 750$ . Hence, Actual Price =  $13250 + 750 = 14000$ . This is also equal to Ceiling Price.

**127. Using the data shown: TARGET COST: 12,000, TARGET FEE: 1000, SHARE RATION: 80/20 and PRICE CEILING: 14,000. The profit at the point of total assumption is:**

- A. 300
- B. 500
- C. 750
- D. 800

The answer listed is C (750 ??????????)

Same as above, PTA = 13250. We need to calculate profit at PTA.

PTA = 13250 means

Actual Cost = 13250 and Actual price = Ceiling price = 14000.

So, the Actual fee =  $14000 - 13250 = 750$ . Answer is C.

[Or]

At PTA, cost overrun =  $13250 - 12000 = 1250$

Seller's share of the cost overrun = 20% of 1250 = 250

Actual Fee = Target Fee - Seller's share of cost overrun  
=  $1000 - 250 = 750$ .

**128. Using the information provided, if a project manager requires the use of a piece of equipment, how many days must he rent the equipment before the cost is equal to the total cost of leasing the equipment for one year?**

	Rent Cost	Leasing Cost
Annual Maint:	0	3,000
Daily Operation:	0	70
Daily Rental	100	0

The answer listed is: 100 days ??????????

Rental cost = 100 per day

Lease cost = 3000 + 70 per day

Say, in x days after Rental Cost equals to Leasing cost. At this point:  $100x = 3000 + 70x$ .

So,  $x = 100$  days

**129. Project Risk Management includes all of the following processes except: [source: PMP Sample questions (Q#124) - self compiled in Yahoo group.]**

- A. Risk Quantification
- B. Risk Identification
- C. Risk Analysis
- D. Risk Response Development
- E. Risk Response Control

Given answer is C, my answer was E. There is nothing like 'Risk Response control', hence I choose E.

I believe Question #124 is another of those outdated Risk questions that should be eliminated from the bank of practice questions.

The 1996 PMBoK Guide identifies four processes in Project Risk Management; Risk Identification, Risk Quantification, Risk Response Development and Risk Response Control. So, based on 1996 standards, 'C' is correct. However, we are now working with the 2000 PMBoK Guide and things have changed significantly with respect to Project Risk Management.

In the 2000 edition, Project Risk Management is comprised of six processes; Risk Management Planning, Risk Identification, Qualitative Risk Analysis, Quantitative Risk Analysis, Risk Response Planning and Risk Monitoring and Control.

**130. During risk planning your team cannot come up with an effective to mitigate or insure against a risk. It's not a task that can be outsourced, nor could it be deleted. What is the BEST solution?**

- A. Accept the risk
- B. Continue to investigate ways to mitigate the risk
- C. Look for ways to avoid risk
- D. Look for ways to transfer the risk

Given answer is A.

[#1] My answer is C. Between ACCEPTING or AVOIDING a risk, I think AVOIDING is a better choice. Especially you're in the planning stage hence you can avoid the risk completely. The question says you cannot mitigate or transfer the risk, so you can either avoid or accept. So why would any one accept a risk if you have a option of completely avoiding it.

What are your thoughts...

[#2] The question says, "risk could not be deleted". I took that to mean that it could not be avoided. So, the only available option is to accept it (A) - and probably develop contingency plans for it.

[#3] Personally, I think there are two types of situations: (1) one, where you do not have to suffer from the consequences of the risk (i.e. avoid, transfer) and (2) another, where you have to deal with the consequences (i.e. mitigate, accept). Following that hypothesis, obviously for a project it would be BEST to (1) avoid the materialization of the risk completely (the impact is 0%), if not possible then (2) transfer it (only an insurance fee might remain, if at all and the impact is almost 0% to you), if not possible then (3) mitigate (minimize the impact to be less than 100%) and even it is not possible then (4) accept it (the impact obviously will be 100%).

**131. A scenario is presented in which current variances are seen as typical. Here are the figures: PV=800, BAC=700, EV=675, AC=750.**

- A. 778
- B. 780
- C. 861
- D. 833

The answer is given as C, with the following explanation:  $EAC = [AC + (BAC - EV) / .9] = 861.11$  or 861 rounded down.

[#1] In order to get this answer, you have to ADD the remaining budget (BAC - EV) to AC and THEN divide the sum by CPI. But that's contrary to what the parentheses indicate in PMBOK, that is:  $EAC = AC + ((BAC - EV)/CPI)$ . Now, if you were to obey the order of operation implied in PMBOK, you'd come up with 777.77 or 778 rounded up, which is answer A. So which one is it - 778 or 861?

[#2] Actually, even though the formulas have a different meaning based on the context, mathematically they are the same:

$EAC = BAC / CPI$  with no variance

$EAC = AC + (BAC - EV) / CPI$  with variance, based on performance

But,  $CPI = EV / AC$ , so

$EAC = AC + (BAC - EV) / CPI$

$= AC + BAC / CPI - EV / CPI$

$= AC + BAC / CPI - EV / (EV / AC)$

$= AC + BAC / CPI - EV * (AC / EV)$

$= AC + BAC / CPI - AC$

$= BAC / CPI$

Why does this work? When there is no variance, the CPI should be 1, and the EAC should be the BAC.

[#3] Forget about all that and just use  $BAC / CPI$  (see derivation below):

$700 / 0.9 = 778$ .

You are right, the book is wrong.

**132. Which approach to creating a WBS is often used for projects that involve new systems or approaches for doing a job?**

- A: Template approach
- B: Bottom-up approach
- C: analogy approach
- D: Top-Down approach

Given Answer is B.

[#1] My answer was D. We decompose the scope statement to create a WBS. We start with a high level and drill down to lower levels. Especially in this situation when its a new system, we do not know the details hence start with the top.

[#2] Well, first of all, we know C & A are eliminated for use on a "new systems" project. However, there is a piece of information missing from the question which would make it difficult to choose between B & D. Generally, projects with less precedent (ie R&D or new products) are characterized by greater risk, particularly if they are also associated with high cost. A definitive (bottom-up) estimate could serve to mitigate the risk in that case because it is more accurate. However, it is also a more expensive and time-consuming type of estimate so what's missing from the question is whether or not you have the luxury of the time & money to invest in this approach. Remember that just because it is a "new systems" project doesn't mean a bottom-up estimate is precluded, because you could always approach it with the Moving Wave technique described in Kerzner, meaning that you take the first phase of the project down to WBS Level 4 and leave the second phase only roughly defined down to Level 2 until you've advanced far enough to be able to define it. However, since the magnitude of the project (in time & budget) is not given in this question, I would go with answer B.

[#3] Top down approach is used only if you have enough historical information on the Project. in this case it is not true. Hence it would be appropriate to use Bottom up approach – so, answer is B.

**133. You have accepted a position at a company where you will manage a group of projects in a coordinated way. The organization specifically hired you to help it have a more structured approach to project management. What should you do first?**

- A) Study books and articles about managing multiple projects
- B) Study the organizations strategic plan
- C) Meet with key stakeholders to better understand the organization and projects
- D) Focus on communications with your boss and other senior managers.

The correct answer is C.

[#1] My answer is B. Rationale behind my answer:

Clearly the question is about facilitating program management. Program management helps in the realization of synergies that exist between projects. Projects are undertaken to implement the chosen strategy of the organization by addressing business need, market demand, technological advance, social/legal etc. In this sense, for successful program management one should know the performing organizations strategic plan. Rationale for correct answer (this is my take on this - no rationale was provided) The question deals with setting project management methodology for the organization. In that sense, one can ask for input from the key stakeholders. But it appears to be a rather indirect way to creation of a methodology.

[#2] The question clearly states that you are being hired to apply a structured methodology to managing a group of projects. You are not at this time being asked to help the company evaluate whether or not to initiate a set of projects, so you cannot assume that you are to play a role in Initiation. Remember that it is in Initiation where the Strategic Plan is really an important input.

"On most projects, the majority of the communication planning is done as part of the earliest project phases." (PMBOK 119) "According to the Guide to the PMBOK, stakeholders are officially identified in the Planning process. In practice, key stakeholders will have to be contacted early on to get their input for the project overview, goals, and deliverables."(Heldman, 60). Stakeholder Analysis is a tool & technique of TWO important planning processes: Organizational Planning and Communication Planning.

It's not that you are supposed to interview stakeholders to get their feedback on your methodology. Rather, stakeholder analysis is one of the preliminary steps in your methodology because it is one of the best means of defining the requirements/expectations of the project as well as establishing roles and reporting procedures.

**134. 2 people are arguing about what needs to be done to complete a task. If the project manager wants to know what is going on, she should pay MOST attention on:**

- A. What is said
- B. What is being discussed according to those arguing
- C. Physical mannerisms
- D. The pitch and tone of the voice.

Answer is C.

[#1] I think A/B should be the way to know what is going on. Explanation is just about 55% of communication is non-verbal. This cannot convince me since I think the key point here is she needs to know the content of the arguing. How can C help on this?

[#2] If the question asked what should she pay attention to, all four choices would be correct. The question is asking what is the MOST important, and according to Rita, the non-verbal is the most important, i.e. 55% of communication, therefore that ranks #1. The PM must still pay attention to what is said, etc. She is not excluding the other information.

**135. What is the primary motivational tool of quality Theory X?**

- A. Zero defects promotional campaign
- B. Use of the quality circle
- C. Transferred responsibility
- D. Financial compensation [Slide 9-32]
- E. Benchmarking

[#1] **Theory X**: assumes workers dislike and avoid work, so managers must use coercion, threats and various control schemes to get workers to meet objectives. So my answer is D.

[#2] Well, that would be correct for McGregor's Management Theory X. Never heard of Quality Theory X before. The only correlation I can see is that TQM is participative, more Theory Y oriented.

**136. A customer, after explaining performance needs for a prospective purchase, accepts the seller's recommendation. This is an example of:**

- A. Solicitation
- B. Guarantee
- C. Implied warranty
- D. Buyer's warranty
- E. Caveat

[#1] I'm guessing this is an Implied Warranty, C.

A. A Solicitation is generally more encompassing than a verbal description of performance needs. The buyer describes what is required, and the seller, in the response, offers a product or service at some price to meet the requirements. This could be considered an example of a solicitation, but I don't think it's the best answer.

B. A Guarantee provides some remedy if the product fails to meet some requirement. No such remedy is mentioned, and guarantees are written.

C. An implied warranty is an unwritten assumption that the product offered is suitable for the purpose for which it is offered. An implied warranty applies if the buyer depends on the seller to select a product for a particular purpose. This seems to fit the example - the seller recommends a product, and there is no written warranty discussed. The "iffy" part of this example is that warranties do not cover quality, and performance could be construed to be a quality issue, rather than a suitability issue. It would be incumbent upon the buyer to explain to the seller that the product would be unsuitable if it did not meet the performance needs. Considering the unwritten nature of the implied warranty, I would want to get it in writing, which would then be an expressed warranty.

D. Buyer's Warranty - I'm not sure what this is. If legally it is no different from a warranty, the implied warranty is a more specific, and thus better, answer.

E. Caveat - This just means "warning".

**137. The concept that it is easier and less costly to do the work right the first time is called:**

- A. Zero defects
- B. Continuous improvement
- C. DTRTRTFT
- D. The customer is the next person in the process

Answer: C

DTRTTFT is “Do The Right Thing Right, The First Time”. Implies that it is easier and less costly to do the work right the first time than it is to do it the second time. Entails the training of personnel to ensure sufficient skills and tools to correctly complete the work.

**138. A company has to make a choice between two projects, because the available resources in money and kind are not sufficient to run both at the same time. Each project would take 9 months and would cost \$250,000.**

**The first project is a process optimization, which would result in a cost reduction of \$120,000 per year. This benefit would be achieved immediately after the end of the project.**

**The second project would be the development of a new product, which could produce the following net profits after the end of the project:**

**1st year: \$ 15,000**

**2nd year: \$ 125,000**

**3rd year: \$ 220,000**

**Assumed is a discount rate of 5 % per year. Looking at the net present values of these projects' revenues in the first 3 years, what is true?**

- A. The first project is more attractive.
- B. Both projects are equally attractive.
- C. The available information is not sufficient to calculate and compare net present values.
- D. The second project is more attractive.

As,  $PV = FV/(1+r)^n$ . Since both projects will take same amount of time and money to develop, for purposes of comparison we can ignore the development cycle.

Present Value for 1<sup>st</sup> project,  $PV1 = 120/1.05 + 120/1.05^2 + 120/1.05^3 = 114.286 + 108.844 + 103.661 = 326.790$ .

Present Value for 2<sup>nd</sup> project,  $PV2 = 15/1.05 + 125/1.05^2 + 220/1.05^3 = 14.286 + 113.379 + 190.044 = 317.709$ .

So the answer is A.

**139. Explain the difference between Responsibility Assignment Matrix (RAM) and Linear Responsibility Chart (LRC).**

[#1] Reading through current PM literature, it is not difficult find at least six or seven different terms used to define the general intent and application of a Responsibility Assignment Matrix (RAM). 'Linear Responsibility Chart (LRC)' appears to be one of them. The PMBoK Guide attempts to provide the most widely accepted definition, intent and application. Here's a bit more detail:

The PMBoK Guide defines Responsibility Assignment Matrix (RAM) as 'a structure that relates the project organization structure to the work breakdown structure to help ensure that each element of the project's scope of work is assigned to a responsible individual.' A typical RAM in table form is illustrated in figure 9-2 on page 111.

The PMBoK Guide also recognizes the terms 'Responsibility Chart' and 'Responsibility Matrix' as being synonymous with 'Responsibility Assignment Matrix (RAM).'

To place in context, 'role and responsibility assignments' is a defined output of the Organizational Planning process ... and the RAM is identified as being 'often used to link the project scope definition to role and responsibility assignments.' In practice, the PMBoK Guide suggests that, for larger projects, RAMs be developed at various levels, perhaps a high-level RAM to define the groups responsible for WBS elements and a lower-level RAM to assign roles and responsibilities for specific activities to particular individuals.

In some project management methodologies outside of the PMBoK Guide, the Responsibility Assignment Matrix (RAM) is also referred to as 'Responsibility/Accountability Matrix,' and 'Task Responsibility Matrix.' Specific definitions vary, but remain closely related.

The PMBoK Guide 2000 does not include any references to the term 'Linear Responsibility Chart.' However, outside of the PMBoK Guide, the term is defined as 'a special type of matrix in which the rows list the series of functions, activities, or tasks in some logic sequence, such as the project life cycle, and the adjacent columns identify the positions, titles or people involved. At the intersection of each adjacent column and its line item is placed a distinguishing symbol representing the level or type of responsibility involved by that person.'

For PMP Exam purposes, it is important to know the PMBoK Guide definition of RAM ... and that a RAM is typically a table with rows and columns used to help link individual role and responsibility assignments to WBS elements during Organizational Planning. It would be helpful for candidates to familiarize themselves with the PMBoK Guide illustration (figure 9-2 on page 111). While 'RAM' typically shows up in at least a few questions on most PMP Exams, I have not heard of any Exam since last March that refers to the term 'Linear Responsibility Chart.'

[#2] The RAM shows who (what person/organization) is responsible for the individual deliverables in the WBS. The LRC identifies roles and responsibilities over the project, e.g. who runs meetings, who has change authority, who creates documents, who approves documents, etc. I've used RAMs, but never an LRC, so in that respect my understanding is academic.

**140. Consider the information below, in which activities A, B, and D are on one path and must be performed in that sequence, and activity C is to be performed parallel to that path. Assuming cost is important, in which sequence should crashing of activities be planned?**

**Normal Time: A=4, B=3, C=5, D=5**

**Crash Time: A=2, B=2, C=4, D=3**

**Normal Cost: A=10, B=20, C=14, D=25**

**Crash Cost: A=11, B=22, C=16, D=27**

**(Time in Weeks, Amounts in Thousands of Dollars)**

- A. A,B,D
- B. A,D,B
- C. D,B,A
- D. A,B,C,D

Answer is B; mine was A.

[#1] First of all, Task C is not on the critical path and does not really need to be crashed. If you rank the crashable tasks by cost in ascending order, then you come up with this sequence: A,B,D. Even if you only look at the incremental crashing cost (the difference between the crashing and normal cost), you would still come up with the same ranking. So then what is the argument for D,B,A?

[#2] You are correct on your first statement. C is not in the critical path so it does not need to be taken into account. The answer is B (A,D,B) because:

A:  $4-2=2$  weeks crash -->  $1K\$$  Increase-->  $0.5K$  per week

B: 3-2= 1 week crash ---> 2K\$ Increase--> 2K per week

D: 5-3= 2 week crash ---> 2K\$ Increase--> 1K per week

So first you choose A, because it provides you with the best crashing time at the lower cost. Then you have to choose between D & B. If we have to choose sequentially and cost is important: chose D that provides you with the most crash time at the lower cost.

[#3] In a specific path crashing the activities has nothing to do with the sequence of operations; however the cost/time slope is the factor to consider - i.e. how much it costs you to save one day/week; the least the better. The analysis provided by Vanessa is absolutely correct. Think about it this way: if A, B & D are after each other, and it will cost you \$1 to save a week if you crash D and \$2 to save one week if you crash B – which one to crash first? Obviously D sense it will give you the best value of money.

**141. Management reserve is needed on projects. According to the PMBOK Guide, which of the following is true about management reserve?**

A. It allows for handling future situations that are impossible to predict

B. It may involve cost but not schedule

C. It is sometimes called "unknown knowns"

D. Its use does not require a change in the project's baseline

Answer is A

[#1] Mine was C, Reference is PMBOK 143-144 Source: IIL PMIQ (based on Kerzner). D & B can pretty much be eliminated. So let's look at the reference to choose between A & C. A visual scan of pages 143-144 and an electronic search for the term "management reserves" in PMBOK returns no results. However, there is a definition of known vs unknown risks with regard to contingencies on p.129 that says "Known risks are those that have been identified and analyzed, and it may be possible to plan for them. Unknown risks cannot be managed, although the project managers may address them by applying a general contingency based upon past experience with similar projects."

PMBOK does not suggest that general (ie management) contingencies are for risks that are IMPOSSIBLE to predict. In fact, it suggests the opposite by saying that past experience would be the basis for determining the general contingency amounts!

Kerzner's own definition (p. 833) also contradicts the question, leading me to believe it is an error on the CD: "Management reserves are the contingency funds established by the program manager to counteract unavoidable delays that can affect the project's critical path. Management reserves cover unforeseen events within a defined project scope taht experience has shown are likely to occur. Management reserves are not used for unlikely major force events or changes in scope."

OK, so does everyone agree this test question is flawed?

[#2] I disagree with you. I would have picked A as the answer.

Management reserves are held by the sponsor, for his/her own needs, to ensure the project can be completed. The project manager should have defined his/her own contingency allowance based on risk, presumably to cover off the "unknown-knowns". Keep in mind that contingency allowance is distinct from management reserve.

[#3] This is correct. To reinforce the point, Management Reserves belong to management, not to the Project Manager, and they are not part of the project plan. Management reserves are for the protection of management, not the project or the PM. The PM can include contingency in the project plan, based on risk analysis, but this is not management reserve. In the event of an unplanned-for risk event (an unknown-unknown), management reserves might be used to reduce the impact that the troubled project has on any other plans management might have. Management reserve can take any number of forms, e.g. budget



reserve (have extra cash budgeted to apply to troubled projects), or schedule reserve (telling you they need it by January and not planning for it to be available until May). Management reserves do protect the project, in the sense that, if the project is in trouble, they help prevent losing the business need for the project and thus prevent it from being cancelled.

# Question Set 9

Total Questions: 100

1. \_\_\_\_\_ is the most accurate cost estimating technique.

- A. Computerized
- B. Bottom up estimating
- C. Analogous estimating
- D. Square foot

2. A product life cycle is a series of phases whose name and number is determined by the organization's needs regarding control of the project.

- A. True
- B. False

3. In the phase sequence defined by project life cycles, a phase is not begun until all deliverables are approved from the preceding phase.

- A. True
- B. False

4. \_\_\_\_\_ involves using project characteristics in a mathematical model.

- A. Analogous estimating
- B. Life-cycle costing
- C. Parametric modeling
- D. Bottom up estimating

5. Project risk is defined as the cumulative effect of chances of \_\_\_\_\_ which will adversely affect project objectives.

- A. Likely events
- B. Complex activities
- C. Complex schedules
- D. Uncertain occurrences

6. \_\_\_\_\_ is generally the least accurate.

- A. Using stakeholders to predict cost
- B. Parametric modeling
- C. Analogous estimating
- D. Computerized estimating

7. The \_\_\_\_\_ task relationship is defined by the activity duration:

- A. Start-to-start
- B. Finish-to-finish
- C. Start-to-finish
- D. None of the above

8. The contingency allowances established to cover unforeseen costs on your project have been set at 8% of total project cost. The total dollars in the contingency allowances are \_\_\_\_\_ as the project nears completion.

- A. Reduced to reflect a percentage of the remaining work
- B. Increased to meet the unidentified surprises
- C. Decreased to reduce the accounting work
- D. Spent to ensure there is no extra money shown in the budget

**9. Contract close-out contains:**

- A. Contract documentation
- B. Procurement audits
- C. Formal acceptance and closure
- D. All of the above

**10. General Management encompasses all but:**

- A. Finance and accounting
- B. Strategic planning
- C. Sales and marketing
- D. Developing a new product or service

**11. A program is defined in the PMBOK as:**

- A. A group of projects managed in a coordinated way to obtain benefits not available from managing them individually
- B. A number of subprojects divided into manageable components enabling a project team to ensure the completion of a desired outcome
- C. A project plan developed by key management personnel to obtain a desired outcome
- D. The means to subdivide the project into manageable segments

**12. Which process is not included in Project Time Management?**

- A. Activity definition
- B. Activity sequencing
- C. Schedule development & schedule control
- D. Work breakdown structure (WBS)

**13. Performance improvements include all but:**

- A. Improvements in amount of overtime worked
- B. Improvements in individual skills
- C. Improvements in team behaviors
- D. Improvements in team capabilities

**14. Which describes how cost variances will be managed?**

- A. Cost management plan
- B. Cost baseline
- C. Cost estimate
- D. Chart of accounts

**15. \_\_\_\_\_ coordinates people and other resources to carry out the plan.**

- A. Work Breakdown Structure
- B. Resource planning
- C. Resource leveling
- D. Executing process

**16. The process of identifying and defining a product or service is called:**

- A. Procurement planning

- B. Source selection
- C. Contract administration
- D. Contract closeout

**17. The Critical Path Method of scheduling is:**

- A. A mathematical analysis technique for schedule development
- B. A technique that uses weighted averages to calculate project duration
- C. A technique that uses sequential network logic for schedule development
- D. A technique that allows for probabilistic treatment of both network logic and activity duration estimates

**18. The core planning processes are:**

- A. Scope definition, Resource planning, Cost estimating, Schedule development, Activity definition
- B. Inputs, Control, Status reports, Risk management
- C. Planning, Resource planning, Quality assurance, Risk control
- D. Scope definition, Team development, Schedule control, Budget control, Contract administration

**19. \_\_\_\_\_ is controlling changes to the budget.**

- A. Resource planning
- B. Cost estimating
- C. Cost budgeting
- D. Cost control

**20. Key Management skills include:**

- A. Leading
- B. Communicating
- C. Negotiating
- D. All of the above

**21. The process that is not a part of time management is:**

- A. Activity Definition
- B. Resource Planning
- C. Schedule Development
- D. Activity Sequencing

**22. The outputs from schedule control include all except:**

- A. Schedule updates
- B. Revisions
- C. Corrective action
- D. Lessons learned

**23. \_\_\_\_\_ includes the process required to ensure that the project includes all the work required, and only the work required, to complete the project successfully.**

- A. Project plan update
- B. Project scope management
- C. Scope change control
- D. Product description

**24. Problem solving addresses potential problems on the project.**

- A. True
- B. False

**25. A resource pool description provides:**

- A. The unit cost for each resource
- B. What are the resources are available, at what times and in what patterns
- C. Performance of the pool resources
- D. Duration of the project

**26. \_\_\_\_\_ recognizes that a project or phase should begin and commits the organization to do so.**

- A. Initiating process
- B. Solicitation process
- C. Scoping process
- D. Planning process

**27. An output of scope definition is:**

- A. Work breakdown structure
- B. Scope statement
- C. Scope management plan
- D. Corrective action

**28. Risk event is the precise description of what might happen to the \_\_\_\_\_ of the project.**

- A. Manager
- B. Detriment
- C. Schedule
- D. Budget

**29. A RAM is defined as:**

- A. Random access memory
- B. Rapid air movement
- C. Responsibilities and methods
- D. Responsibility assignment matrix

**30. A key barrier to team development is:**

- A. When team members are accountable to both functional and project managers.
- B. A strong matrix management structure.
- C. When major problems delay the project completion date or budget targets.
- D. When formal training plans cannot be implemented.

**31. Contingency planning is a means to \_\_\_\_\_ risks to the project through a formal process and provides the resources to meet the risk events.**

- A. Address
- B. Classify
- C. Assign
- D. Resolve

**32. \_\_\_\_\_ devises and maintains a worktable scheme to accomplish the business need that the project was undertaken to address.**

- A. Development process
- B. Scoping process
- C. Planning process
- D. Information development process

**33. Staffing requirements do not define:**

- A. What types of skills are required
- B. What time frames
- C. What kinds of individuals or groups
- D. What type of resource planning is required

**34. A major assumption of all network scheduling methods is that activity durations must be \_\_\_\_\_.**

- A. Statistically dependent
- B. Variance distributed
- C. Statistically independent
- D. Deterministic

**35. Topics that deal with people include:**

- A. Leading, communicating, and negotiating with others
- B. Delegating, motivating, coaching, mentoring, and other subjects related to dealing with people
- C. Performance appraisal, recruitment, retention, labor relations, health and safety regulations, and other subjects related to administering the human resource function
- D. All of the above

**36. An output of the scope change control process is:**

- A. Scope statement
- B. Lessons learned
- C. Formal acceptance
- D. Work breakdown structure

**37. Constraints do not include:**

- A. Impacts of weather
- B. Organizational structure of the performing organization
- C. Collective bargaining
- D. Expected staff assignments

**38. \_\_\_\_\_ is not one of the tools and techniques used in Contract Administration:**

- A. Contract change control system
- B. Contract negotiation
- C. Payment system
- D. Performance rating

**39. Operations and projects share many characteristics.**

- A. True

B. False

**40. The outputs of Contract Administration are correspondence, contract changes, and payment requests.**

- A. True
- B. False

**41. The \_\_\_\_\_ documents the characteristics of the product or service that the project was undertaken to create.**

- A. Resource plan
- B. Project charter
- C. Project description
- D. Scope statement

**42. Outputs from the initiation process are:**

- A. Project manager identified/assigned
- B. Constraints
- C. Assumptions
- D. All of the above

**43. A \_\_\_\_\_ is a series of actions bringing about a result.**

- A. Project plan
- B. Process
- C. Schedule
- D. Flowchart

**44. \_\_\_\_\_ involves determining what quantities are to be used to perform project activities.**

- A. Resource planning
- B. Cost estimating
- C. Cost budgeting
- D. Cost control

**45. Project Scope Management includes which processes:**

- A. Initiation
- B. Project Plan Execution
- C. Overall Change Control
- D. Performance Reporting

**46. \_\_\_\_\_ is the cost estimating technique used most frequently in the early stages of a project.**

- A. Analogous estimating
- B. Life-cycle costing
- C. Parametric modeling
- D. Bottom up estimating

**47. Project Integration Management**



- A. Describes the processes required to ensure that the project includes all the work required to complete the project successfully
- B. Describes the processes required to ensure timely completion of the project
- C. Describes the processes required to ensure that the project will satisfy the needs for which it was undertaken
- D. Describes the processes required to ensure that the various elements of the project are properly coordinated

**48. Risk management is defined as the art and science of \_\_\_\_\_ risk factors throughout the life cycle of a project.**

- A. Researching, reviewing and acting on
- B. Identifying, analyzing and responding to
- C. Reviewing, monitoring and managing
- D. Identifying, reviewing and avoiding

**49. Inputs to contract administration do not include:**

- A. Contract
- B. Change requests
- C. Work results
- D. Market conditions

**50. The duration of most activities will be significantly influenced by the resources assigned to them.**

- A. True
- B. False

**51. The process of developing a written scope statement as the basis for future project decisions is called:**

- A. Scope development
- B. Scope planning
- C. Project development
- D. Project selection

**52. Project selection criteria cover management concerns such as:**

- A. Financial return
- B. Market share
- C. Public perception
- D. All of the above

**53. The WBS is:**

- A. An organization oriented family tree of the project.
- B. A task oriented family tree of the project.
- C. A cost centered structure of the project.
- D. Only required on large complex projects where separately identifiable work packages are difficult to construct.

**54. Which process is not included in Project Cost Management?**

- A. Closeout
- B. Estimating

- C. Budgeting
- D. Control

**55. \_\_\_\_\_ allocating the overall costs to individual work items in order to establish a cost baseline for measuring project performance.**

- A. Resource planning
- B. Cost estimating
- C. Cost budgeting
- D. Cost control

**56. Which is not an input to Procurement Planning?**

- A. Scope statement
- B. Contract
- C. Product design
- D. Market conditions

**50. The duration of most activities will be significantly influenced by the resources assigned to them.**

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- A. Scope statement
- B. Contract
- C. Product design
- D. Market conditions

**57. A project can best be defined as:**

- A. Series of non-related activities designed to accomplish single and multiple objectives.
- B. Coordinated effort of related activities designed to accomplish a goal without a well-established end point.
- C. Cradle-to-grave activities which must be accomplished in less than one year and consumes human and non-human resources.
- D. "Any undertaking with a definable time frame, well-defined objectives, and consumes both human and non-human resources with certain constraints."

**58. Characteristics of project phases are:**

- A. Milestones
- B. Deliverables
- C. Activities
- D. All of the above

**59. Which is a phased budget used to measure and monitor cost performance on the project?**

- A. Cost baseline
- B. Project schedule
- C. Cost management plan
- D. EAC

**60. Project risk is characterized by three factors: \_\_\_\_\_.**

- A. Severity of impact, duration of impact and cost of impact
- B. Identification, type of risk category and probability of impact
- C. Risk event, risk probability and the amount at stake
- D. Occurrence, frequency and cost

**61. A project is defined in the PMBOK as:**

- A. A process of considerable scope that implements a plan
- B. A group of ideas managed in a coordinated way to obtain a desired outcome
- C. A temporary endeavor undertaken to create a unique product or service
- D. A collection of activities with a beginning and an end

**62. Which of the following is best for handling cross-functional project needs for a large, complex project?**

- A. A strong matrix organization

- B. A project coordinator
- C. A project expeditor
- D. Direct executive involvement

**63. Project Stakeholders are defined as:**

- A. Individuals and organizations who use the project's product
- B. Individuals and organizations whose interest may be positively or negatively affected as a result of project execution or successful project completion
- C. Individuals and organizations who provide the financial resources
- D. All of the above

**64. The tools and techniques used in the initiation process are:**

- A. Product analysis
- B. Project schedule development
- C. Expert judgment
- D. Project budget

**65. Likely schedule durations for activity duration estimating are available from historical information that is derived from the following sources except:**

- A. Commercial duration databases
- B. Project files
- C. Project team knowledge
- D. Outside consultants

**66. \_\_\_\_\_ is developing an approximation of the costs of the resources needed to complete project activities.**

- A. Resource planning
- B. Cost estimating
- C. Cost budgeting
- D. Cost control

**67. \_\_\_\_\_ must be measured regularly to identify variances from the plan.**

- A. Stakeholder requirements
- B. Project performance
- C. Schedule control
- D. Project controls

**68. \_\_\_\_\_ is ensuring all features and functions are included in a product or service**

- A. Project scope
- B. Project verification
- C. Project control
- D. Product scope

**69. A process that is not part of Project Risk Management is:**

- A. Identification
- B. Solicitation
- C. Quantification
- D. Response Development

**70. The work that must be done in order to deliver a product with the specified features and functions is:**

- A. Project scope
- B. Project verification
- C. Project control
- D. Product scope

**71. With triangular distribution, the low, likely and high values are 15, 20 and 40, respectively. The mean is \_\_\_\_.**

- A. 20.0
- B. 22.5
- C. 25.0
- D. 27.5

**72. The scope management provides:**

- A. A basis for future decisions about the project.
- B. A baseline to accomplish verification measures.
- C. A baseline to evaluate potential scope changes.
- D. All of the above.

**73. Project Procurement Management includes:**

- A. Procurement planning
- B. Solicitation planning
- C. Solicitation
- D. All of the above

**74. A regulation is a document that lays down provisions with which compliance is mandatory.**

- A. True
- B. False

**75. Lessons learned are most often based upon project historical records. Lessons learned can be used to:**

- A. See what mistakes others have made
- B. See how others have solved problems
- C. "Predict trends, highlight problems and identify alternatives"
- D. All of the above

**76. The major project scope management processes include:**

- A. Change order control
- B. Initiation
- C. Program evaluation
- D. Scope statement

**77. A graphic display of resource usage hours is:**

- A. Organizational chart
- B. Responsibility matrix

- C. WBS
- D. Histogram

**78. Which is an input to resource planning?**

- A. Historical information
- B. Cost baseline
- C. Cost management plan
- D. Chart of accounts

**79. Which tools or techniques are not used in activity sequencing?**

- A. Precedence diagramming method (PDM)
- B. Arrow diagramming method (ADM)
- C. Expert judgment
- D. Network templates

**80. Name the ethical code you'll be required to adhere to as a PMP.**

- A. Project Management Policy of Ethics
- B. Project Management Professional Standards
- C. Project Management Code of Professional Ethics & Standards
- D. Project Management Professional Code of Professional Conduct

**81. \_\_\_\_\_ ensures that project objectives are met by monitoring and measuring progress and taking corrective action when necessary.**

- A. Project controls
- B. Controlling process
- C. Control logs
- D. Project chart

**82. You have a choice of accepting a fixed price contract for \$115,000 with a liquidated damages clause or \$100,000 without the clause. There is a 60% chance your cost will be \$90,000 and a 40% chance your cost will be \$80,000. There is a 98% chance of meeting your schedule but the penalty if missed is \$50,000. Which is the best contract choice and how much profit would you make?**

- A. Contract without the clause; profit is \$14,000
- B. Contract without the clause; profit is \$27,980
- C. Contract with the clause; profit is \$14,000
- D. None of the above

**83. An example of a project is:**

- A. Billing customers
- B. Managing an organization
- C. Constructing a building or facility
- D. Providing technical support

**84. Inputs to Team Development include all but**

- A. Project staff
- B. Reward and recognition systems
- C. Performance reports
- D. Project plan

**85. The optimal organization structure for the project manager is:**

- A. Functional
- B. Weak matrix
- C. Projectized
- D. Dedicated project team

**86. Precedence diagramming method (PDM) uses which of the following dependencies**

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

**87. Which is not a tool or technique for Source Selection?**

- A. Contract negotiation
- B. Weighting system
- C. Payment system
- D. Screening system

**88. What is not among the tools and techniques of Organizational Planning?**

- A. Staffing management plan
- B. Templates
- C. Human resource practices
- D. Organizational theory

**89. \_\_\_\_\_ formalizes the acceptance of the project or phase and bringing it to an orderly end.**

- A. Punch list
- B. Closing process
- C. Project completion checklist
- D. Stakeholder buyoff

**90. Cost control is concerned with:**

- A. Managing changes when they occur
- B. Resource rates
- C. Chart of accounts
- D. Organizational policies

**91. Resource leveling allocates scarce resources to critical path activities first.**

- A. True
- B. False

**92. The closing process scope includes:**

- A. Contract closeout
- B. Final reporting
- C. Punch list
- D. Exit interview

**93. An input to the scope planning process is:**

- A. Product description
- B. Project schedule
- C. Strategic plan
- D. Historical information

**94. Scope planning is:**

- A. Developing a plan from major stakeholders
- B. Developing a written scope statement as the basis for future project decisions
- C. Formalizing acceptance of the project scope
- D. Planning project milestones

**95. Activity definition inputs include all except:**

- A. Work breakdown structure
- B. Product description
- C. Constraints
- D. Assumptions

**96. When the project team directs staff assignments, what is not considered in the selection of a staff?**

- A. Previous experience
- B. Staff age
- C. Availability
- D. Personal interest

**97. \_\_\_\_\_ involves estimating the cost of individual work items:**

- A. Computerized
- B. Bottom up estimating
- C. Analogous estimating
- D. Square foot

**98. The most rapid cost estimating technique is:**

- A. Square foot estimating
- B. Template estimating
- C. Computerized estimating
- D. Analogous estimating

**99. \_\_\_\_\_ is another term for top down estimating.**

- A. Analogous estimating
- B. Life-cycle costing
- C. Parametric modeling
- D. Bottom up estimating

**100. In which of the following scope management processes is the scope management plan prepared?**

- A. Initiation
- B. Scope planning
- C. Scope Definition



#### D. Scope verification

1. B. Bottom up estimating
2. B. False
3. B. False
4. C. Parametric modeling
5. D. Uncertain occurrences
6. C. Analogous estimating
7. D. None of the above
8. A. Reduced to reflect a percentage of the remaining work
9. D. All of the above
10. D. Developing a new product or service
11. A. A group of projects managed in a coordinated way to obtain benefits not available from managing them individually
12. D. Work breakdown structure (WBS)
13. A. Improvements in amount of overtime worked
14. A. Cost management plan
15. D. Executing process
16. A. Procurement planning
17. C. A technique that uses sequential network logic for schedule development
18. A. Scope definition, Resource planning, Cost estimating, Schedule development, Activity definition
19. D. Cost control
20. D. All of the above
21. B. Resource Planning
22. B. Lessons learned
23. B. Project scope management
24. B. False
25. B. What are the resources available, at what times and in what patterns
26. B. Solicitation process
27. A. Work breakdown structure
28. B. Detriment
29. D. Responsibility assignment matrix
30. A. When team members are accountable to both functional and project managers.
31. A. Address
32. C. Planning process
33. D. What type of resource planning is required
34. C. Statistically independent
35. D. All of the above
36. B. Lessons learned
37. A. Impacts of weather
38. B. Contract negotiation
39. A. True
40. A. True
41. C. Project description
42. D. All of the above
43. B. Process
44. A. Resource planning
45. A. Initiation
46. A. Analogous estimating
47. C. Describes the processes required to ensure that the project will satisfy the needs for which it was undertaken
48. B. Identifying, analyzing and responding to
49. D. Market conditions
50. A. True

51. B. Scope planning
52. D. All of the above
53. B. A task oriented family tree of the project.
54. A. Closeout
55. C. Cost budgeting
56. B. Contract
57. D. "Any undertaking with a definable time frame, well-defined objectives, and consumes both human and non-human resources with certain constraints."
58. D. All of the above
59. A. Cost baseline
60. C. Risk event, risk probability and the amount at stake
61. C. A temporary endeavor undertaken to create a unique product or service
62. A. A strong matrix organization
63. D. All of the above
64. C. Expert judgment
65. D. Outside consultants
66. B. Cost estimating
67. B. Project performance
68. B. Project verification
69. B. Solicitation
70. A. Project scope
71. C. 25.0
72. D. All of the above.
73. D. All of the above
74. A. True
75. D. All of the above
76. B. Initiation
77. D. Histogram
78. A. Historical information
79. C. Expert judgment
80. D. The Project Management Professional Code of Professional Conduct is published by PMI, and PMPs are expected to adhere to its standards.
81. B. Controlling process
82. D. None of the above
83. C. Constructing a building or facility
84. B. Reward and recognition systems
85. D. Dedicated project team
86. D. Start-to-finish
87. C. Payment system
88. A. Staffing management plan
89. B. Closing process
90. A. Managing changes when they occur
91. A. True
92. A. Contract closeout
93. A. Product description
94. B. Developing a written scope statement as the basis for future project decisions
95. B. Product description
96. B. Staff age
97. B. Bottom up estimating
98. C. Computerized estimating
99. A. Analogous estimating
100. B. Scope Planning

# Question Set 10

Total Questions: 100

**1. Tools & techniques for risk identification include**

- a. Decision tree analysis, information-gathering techniques, checklists, assumptions analysis, diagramming techniques
- b. Documentation reviews, information-gathering techniques, checklists, assumptions analysis, diagramming techniques
- c. Periodic risk response audits, information-gathering techniques, checklists, assumptions analysis, diagramming techniques
- d. Risk probability and impact, information-gathering techniques, checklists, assumptions analysis, diagramming techniques

**2. During project implementation the client interprets a clause in the contract to mean the he is entitled to a substantial refund for work recently completed. You review the clause and disagree with the client's conclusion. As the project manager which of the following actions should be taken?**

- a. Disregard the customer's conclusion and continue to process invoices interpretations and disputes
- b. Advise the customer that ambiguous information in contracts is always interpreted in favor of the contractor
- c. Immediately correct the clause to remove any possible misinterpretation by the customer
- d. Document the dispute and refer to the provisions of the contract that address

**3. Your customer wants your project, a process to dump "bad" eggs before it reaches the stores shelves, to be completed 5 months earlier than planned. You believe you can meet this target by overlapping project activates. The approach you plan to use is known as:**

- a. Concurrent engineering
- b. Crashing
- c. Fast-tracking
- d. Leveling

**4. Which of the following statements are true about the work breakdown structure?**

- a. Each level represents an increasing level of detail
- b. The work breakdown structure is deliverable oriented
- c. The work breakdown structure is a detailed management process
- d. None of the above

**5. Examples of team building activities include:**

- a. Establishing ground rules for dealing with conflict.
- b. Regular progress reviews.
- c. Periodic social events for team members.
- d. All of the above

**6. Resource planning involves determining what \_\_\_\_\_ resources and what \_\_\_\_\_ of each should be used and when they would be needed to perform project activities.**

- a. Physical resources, quantities
- b. Quantities, physical resources
- c. Dynamic resources, parametric modeling technique
- d. Parametric modeling, dynamic resources

**7. \_\_\_\_\_ is the formal procedure for sanctioning project work to ensure it is done at the right time.**

- a. Organizational procedures
- b. Status review
- c. Work-authorization system
- d. Project planning

**8. Inputs to Integrated Change Control include:**

- a. Project plan, performance reports and lessons learned
- b. Project plan, project reports and change request
- c. Product plan, performance reports and change request
- d. Project plan, performance reports and change request

**9. A tool and technique of quality control that keeps errors from reaching the client is**

- a. Corrective action
- b. Inspection
- c. Product scope management
- d. Product quality management

**10. The risk management plan is a major component of**

- a. The procurement plan
- b. The project charter
- c. The project plan
- d. The project scope

**11. Characteristics of a code of accounts are**

- a. It uniquely identified each element of the work breakdown structure
- b. It includes work packages
- c. It is a numbering system
- d. All of the above

**12. Procurement planning is the process of identifying which project needs can best be met by procuring products or services outside the project organization. When should this effort be accomplished?**

- a. After contract negotiation
- b. During the scope definition effort
- c. During the cost definition effort
- d. While creating the work breakdown structure

**13. Inputs to contract closeout include**

- a. Contract documentation
- b. Contract Updates
- c. Procurement audits
- d. Procurement management

**14. If the acceptance sampling attribute for a production lot is 20 percent**

- a. Twenty percent of all lots must be test
- b. Twenty percent of all lots must pass the test

- c. Any given lot must have 20 percent or fewer defects
- d. A sampling of a given lot must have 20 percent or fewer defects

**15. \_\_\_\_\_ is/are an uncertain event that or condition that, if it occurs, has appositive or \_\_\_\_\_ negative effect on a project.**

- a. Assumption analysis
- b. Delphi technique
- c. Risk
- d. Triggers

**16. Outputs of procurement planning include**

- a. Make-or-buy analysis, expert judgment, contract type selection, contract
- b. Scope statement, Correspondence, contract file, contract
- c. Procurement management plan and statement of work
- d. Procurement management plan and contract changes

**17. Establishing minimum requirements of performance for evaluation criteria is also know as a**

- a. Weighting system
- b. Screening system
- c. Estimating system
- d. Change control criteria

**18. Inputs to quality planning include**

- a. Quality policy, historical information, scope statement, product description standards and regulations
- b. Quality policy, product description, scope statement, product description standards and regulations
- c. Quality policy, quality management plan, operational definitions, product description standards and regulations
- d. Quality policy, checklists, quality management plan, product description standards and regulations

**19. When the project does not obtain products and services from outside the performing organization, the processes from solicitation planning through contract closeout would**

- a. Still be performed
- b. Would not be performed
- c. Would be performed in stages
- d. Would be associated with the work breakdown stages

**20. The SPI, which is used to estimate project completion date, is calculated by?**

- a. EV/PV
- b. EV/AC
- c. ACWS/PV
- d. PV/EV

**21. The overall duration of the project schedule is not influenced by:**

- a. Using the arrow diagramming method instead of the precedence diagramming method

(PDM) of scheduling.

- b. Using discretionary dependencies as constraints.
- c. The availability of the resources which are assigned to perform the work.
- d. The capabilities of the resources which are assigned to perform the work.

**22. Response development is sometimes referred to as**

- a. Response planning & risk mitigation
- b. Responses planning and risk control
- c. Risk control and response mitigation
- d. Risk mitigation and response control

**23. The terms strong matrix, balanced matrix, and weak matrix when applied to the matrix structure in project organization refer to the-**

- a. Ability of the organization to achieve its goals
- b. Degree of authority the project manager has over team resources
- c. Physical proximity of project team members to one another and to the project manager
- d. Degree to which team members bond together

**24. The project manager should be assigned during what phase**

- a. Initiation
- b. Project Planning
- c. Scope Planning
- d. Scope Definition

**25. Effective communication is critical for project success. Scope changes, constraints, assumptions, integration and interface requirements, overlapping roles and responsibilities, and many other factors all pose communications challenges. Communication barriers lead to –**

- a. Reduced productivity
- b. Increased hostility
- c. Low morale
- d. Increased conflict

**26. In what way does free float (FF) differ from total float (TF)?**

- a. Free float is commonly referred to as "slack time," whereas total float is commonly referred to as "float time."
- b. Free float only affects the early start of any immediately following activities.
- c. There is no difference; the two terms are functionally equivalent.
- d. An activity's free float is calculated by subtracting its total float from the critical path's total float.

**27. As the leader of a project team, the project manager may be required to assess the competencies of his or her team members. Occasionally, some weaknesses or areas for improvement will be identified. The project manager should:**

- a. Communicate those weaknesses and establish a performance improvement program
- b. Remove any team members who have demonstrated weaknesses in critical knowledge areas
- c. Hire additional resources to compensate for weak areas
- d. Wait for the team members to fail in an assignment to justify termination

**28. Which of the following is a tool or technique used in integrated change control?**

- a. Organizational procedures
- b. Performance measurement
- c. Performance reports
- d. Project plan updates

**29. The main difference between the two types (ADM and PDM) of the critical path method (CPM) of scheduling is the:**

- a. Arrow diagramming method (ADM) is a more accurate method.
- b. Arrow diagramming method (ADM)-a deterministic method whereas the precedence diagramming method (PDM) is a probabilistic method.
- c. Precedence diagramming method (PDM) is a deterministic method whereas the arrow diagramming method (ADM) is a probabilistic method.
- d. Placement of the activity on the logic diagram line.

**30. Tools and techniques of performance reporting include**

- a. Performance reviews, variance analysis, trend analysis, earned value analysis, information distribution tools and techniques
- b. Performance reviews, trend analysis, earned value analysis, information distribution tools and techniques, work breakdown structure
- c. Performance reviews, variance analysis, earned value analysis, external information, information distribution tools and techniques
- d. Performance reviews, variance analysis, trend analysis, earned value analysis, information retrieval systems

**31. Inputs to scope definition include**

- a. Scope requests, constraints, assumptions, other planning outputs, historical information
- b. Scope statements, scope statement updates, other planning outputs, historical information
- c. Scope statements, constraints, assumptions, other planning outputs, historical information
- d. Scope statements, scope measurement plan, other planning outputs, historical information

**32. Contracts may be called –**

- a. An agreement, a subcontract, a purchase request, memorandum of understanding
- b. An agreement, a subcontract, a purchase order, understanding of purchasing request
- c. An agreement, a request, a purchase order, memorandum of understanding
- d. An agreement, a subcontract, a purchase order, memorandum of understanding

**33. A scope change is defined as**

- a. Change in technical specifications
- b. Modification to the agreed upon project scope as defined in the work breakdown structure
- c. Change in product description
- d. Change in the personnel authorization system

**34. Inputs to communication planning include**

- a. Communication requirements, communications management plan, constraints, assumptions
- b. Communication requirements, communications technology, constraints, assumptions
- c. Performance measurement documentation, project archives, constraints, assumptions
- d. Performance measurement documentation, project archives, performance reports, change request procedures



**35. \_\_\_\_\_ sometimes, called risk symptoms or warning signs, are indications that a risk has occurred or is about to occur.**

- a. Assumption analysis
- b. Delphi technique
- c. Risk
- d. Triggers

**36. Before reporting a perceived violation of an established rule or policy the project manager should:**

- a. Determine the risks associated with the violation
- b. Ignore the violation until it actually affects the project results
- c. Convene a committee to review the violation and determine the appropriate response
- d. Ensure there is a reasonably clear and factual basis for reporting the violation

**37. The project charter should be issued by**

- a. The project manager
- b. Client requesting services
- c. Manager external to project
- d. Manager internal to the project

**38. Name the ethical code you'll be required to adhere to as a PMP**

- a. Project Management Policy of Ethics
- b. Project Management Professional Standards
- c. Project Management Professional Code of Professional Conduct
- d. Project Management Code of Professional Ethics & Standards

**39. All of the following are true of Pareto diagrams except**

- a. Pareto like Scatter diagrams use two variables
- b. Pareto diagrams are histograms
- c. Pareto diagrams rank order
- d. It is sometimes referred to as the 80/20 rule

**40. Inputs to scope verification include the following**

- a. Work results, project documentation, work breakdown structure, scope statement, and project plan
- b. Work results, product documentation, work breakdown structure, scope statement, and project plan
- c. Work results, product documentation, work breakdown structure, scope change control, and project plan
- d. Work results, product documentation, work breakdown structure, scope statement, and project performance measurement

**41. The most common communication problem during negotiations is that**

- a. One side may try to confuse the other side
- b. One side may be too busy thinking about what to say next to hear what is being said
- c. Each side may misinterpret what the other side has said
- d. Each side may give upon the other side

**42. Outputs of Integrated Change Control include:**

- a. Project plan updates, corrective action and lessons learned
- b. Project plan updates, performance updates and lessons learned
- c. Project plan updates, corrective action and work breakdown structure
- d. Project plan updates, corrective action and progress meetings

**43. Residual and secondary risks are outputs from**

- a. Risk management planning
- b. Risk identification
- c. Quantitative risk analysis
- d. Risk response planning

**44. One of the outputs of risk identification is**

- a. Potential risk events
- b. Corrective actions
- c. Alternate strategies
- d. Alternative action

**45. Tools and techniques for administrative closure include**

- a. Performance reporting tools, project reports, project presentations
- b. Performance reporting tools and techniques, project management skills, project presentations
- c. Performance reporting tools and techniques, project reports, project analysis
- d. Performance reporting tools and techniques, project reports, project presentations

**46. Which of the following is not a tool or technique of project plan execution?**

- a. PM Information system
- b. Organizational procedures
- c. General management skills
- d. Change control system

**47. During your assignment as project manager you add a new member to your project team. This new team member was recently hired from a competitor and offers to share a substantial amount of proprietary information from his previous company. This information could put you and your team in a very strong position for future business. You are aware of a non-compete clause in the new hire's condition of employment. You should:**

- a. Accept the information and agree to keep it confidential between you and the new hire.
- b. Review the information and only accept only what may have a direct impact on the project's financial status.
- c. Ignore the offer to share and move forward with the project
- d. Review the condition of employment with the new hire and advise her to reconsider the offer.

**48. Tools and techniques for scope planning include**

- a. Performance measurement, product analysis, benefit/cost analysis, alternative identification, expert judgment
- b. Performance reports, performance measurement, alternative identification, expert judgment
- c. Project analysis, benefit/cost analysis, alternative identification, and expert judgment
- d. Product analysis, benefit/cost analysis, alternative identification, expert judgment

**49. What is the preferred method of verifying scope?**

- a. Work results
- b. Inspection
- c. Acceptance
- d. Lessons learned

**50. One way to shorten your project schedule is to assign three developers to each activity in the project design phase instead of two. Although you are considering this approach, your design phase project team would double in size as a result. This approach tends to –**

- a. Reduce productivity
- b. Increase productivity
- c. Reduce the need for quality auditing, thereby reducing overall resource costs
- d. Improve production proportionately more than the increase in resources

**51. What is the work breakdown structure typically used for?**

- a. To define the project schedule
- b. To define who is responsible for completing a task
- c. To manage scope change
- d. As the basis for organizing and defining the total scope of the project

**52. To the extent possible, final contract language should reflect all agreements reached. Subjects usually covered contract financing, price and**

- a. Responsibilities/authorities
- b. Applicable terms and law
- c. Technical and business management approaches
- d. All of the above

**53. In the first attempt in resource leveling the project schedule, what would you expect to occur?**

- a. For the number of required resources to increase during certain time periods of the project.
- b. For the number of required resources to decrease during certain time periods of the project.
- c. For the overall project duration to increase.
- d. All of the above.

**54. What are the inputs to project Plan Execution?**

- a. Project plan, work breakdown structure, organizational policies, preventive action and corrective action
- b. Project plan, work results, change requests, preventive action and corrective action
- c. Project skills, supporting detail, organizational policies, preventive action and lessons learned
- d. Project plan, supporting detail, organizational policies, preventive action and corrective action

**55. Scope verification differs from quality control in that it is primarily concerned with**

- a. Acceptance of the work results while quality control is primarily concerned with the correctness of the work results.
- b. Correctness of the work results while quality control is primarily concerned with the acceptance of the work results.
- c. Completeness of the work results while quality control is primarily concerned with the acceptance of the work results.

d. That all items requested in the scope statement have been completed

**56. Tools and techniques of quality control include**

- a. Benchmarking, control charts, Pareto diagrams, statistical sampling, flow-charts, trend analysis
- b. Design of experiments, control charts, Pareto diagrams, statistical sampling, flow-charts, trend analysis
- c. Inspection, control charts, Pareto diagrams, statistical sampling, flow-charts, trend analysis
- d. Inspection, control charts, Pareto diagrams, statistical sampling, quality audits, quality improvements

**57. In the closing phase of your project, a number of administrative issues must be completed. A concern is to assess project effectiveness. One way to accomplish this task is to---**

- a. Prepare a performance report
- b. Perform an inspection
- c. Hold a performance review
- d. Conduct a procurement audit

**58. A person's negotiating skills/temperament certainly are influenced by his/her culture. However, other factors, such as education and experience, also are at work. And over time, an individual who is living in a culture that is different from his or her own may take on characteristics of the new culture. This person may behave from a new frame of reference. With respect to negotiation, this illustrates the importance of-**

- a. Always looking at those with whom you are negotiating as members of a particular cultural group
- b. Becoming overly dependent on cultural knowledge as the cornerstone for all negotiations
- c. Recognizing that cultural stereotyping should be used as a starting point for all international negotiations
- d. Moving beyond cultural stereotyping and seeing people as individuals with unique personality traits and experiences

**59. Scope definition is**

- a. Subdividing the major project deliverables into smaller, more manageable components
- b. Involves communicating changes with the client
- c. Is the sole responsibility of the project manager
- d. Is the responsibility of the expeditor

**60. As a project manager you are responsible for maintaining and ensuring integrity for all of the following except**

- a. Personal integrity
- b. Project integrity
- c. Product integrity
- d. Integrity of others

**61. During closeout, many project managers tend to delay personnel reassignment because –**

- a. The team members do not want to move on to new assignments

- b. They believe that no one will want to leave the project
- c. The functional managers do not want the team members to return
- d. They are reluctant to confront any interpersonal conflicts that may occur in the process

**62. Monte Carlo analysis is**

- a. Not accurate
- b. Rarely used
- c. The basis for most schedule simulations
- d. Is an estimate of the probability that a given risk will happen within a certain time frame.

**63. Inputs to risk management include**

- a. Project charter, project plan, defined roles and responsibilities, stakeholder risk tolerance, templates for the organization's risk management plan, and the work breakdown structure
- b. Project plan, organizational risk management policies, defined roles and responsibilities, stakeholder risk tolerance, templates for the organization's risk management plan, and the work breakdown structure
- c. Project charter, organizational risk management policies, defined roles and responsibilities, stakeholder risk tolerance, templates for the organization's risk management plan, and the work breakdown structure
- d. Project charter, organizational risk management policies, responsibility assignment matrix, stakeholder risk tolerance, templates for the organization's risk management plan, and the work breakdown structure

**64. The chances for successful completion of a multidisciplinary project are increased if project team members are-**

- a. Focused on individual project activities
- b. Politically sensitive to top management's needs
- c. Problem oriented
- d. Focused on customer demands

**65. Your lead engineer estimates that a work package will most likely require 50 weeks to complete. It could be completed in 40 weeks if all goes well, but it could take 180 weeks in the worst case. What is the PERT estimate for the expected duration of the work package?**

- a. 65 weeks
- b. 70 weeks
- c. 75 weeks
- d. 80 weeks

**66. A work authorization system is a \_\_\_\_\_ for sanctioning project work to ensure that work is done at the right time and in the proper sequence.**

- a. Informal procedure
- b. Exchange procedure
- c. Formal procedure
- d. Monitoring procedure

**67. The work breakdown structure which is an output of scope definition is**

- a. A object-oriented grouping of project components that organizes and defines the total scope of the project
- b. A multi-oriented grouping of project components that organizes and defines the total scope

of the project

- c. A deliverable-oriented grouping of project components that organizes and defines the total scope of the project
- d. Is a listing of items outside the scope management plan which will need to be included in the project planning phase/requirements

**68. Tools and techniques of procurement planning include**

- a. Scope statement, Product description, Procurement resources, and market conditions
- b. Make-or-buy analysis, expert judgment, contract type selection
- c. Make-or-buy analysis, expert judgment, contract type selection, contract
- d. Scope statement, Correspondence, contract file, contract

**69. Common causes of variances are a result of all of the following except:**

- a. Variances that are random
- b. Variances that are always present
- c. Variances that are predictable
- d. Variances that are special

**70. The work breakdown structure is an output of what phase**

- a. Initiation
- b. Scope planning
- c. Scope definition
- d. Scope verification

**71. The project schedule is not used to determine:**

- a. The starting and finishing dates of the activities.
- b. Occasional changes to the activity listing.
- c. The total float of the activities.
- d. The project's budget.

**72. Scope definition is necessary to**

- a. Improve the accuracy of cost, time, and resource estimates
- b. Facilitate clear responsibility assignments
- c. Define a baseline for progress measurement and control
- d. All of the above

**73. Risk identification should be done**

- a. On a regular basis throughout project lifecycle
- b. Early in the planning phase
- c. In the design phase
- d. When creating the work breakdown structure

**74. Inputs to cost estimating include the following**

- a. Work breakdown structure, resource requirements, resource rates, activity duration estimates, estimating publications, scope statement, and organizational policies
- b. Work breakdown structure, resource requirements, resource rates, activity duration estimates, estimating publications, assumptions, constraints, and risks
- c. Work breakdown structure, resource requirements, resource rates, activity duration estimates,

estimating publications, historical information, code of accounts, risks  
d. Work breakdown structure, resource requirements, resource rates, activity duration estimates, estimating publications, historical information, chart of accounts, risks

**75. Which of the following is not a characteristic of a work package?**

- a. It is a summary task at the top level of the Work breakdown structure
- b. It is a summary task at the middle level of the Work breakdown structure
- c. It is a summary task at the lowest level of the Work breakdown structure
- d. It usually takes not more than 80 hours to complete

**76. Quality audits when performed correctly will provide the following benefit(s)**

- a. The product of the project is fit for use and meets safety standards
- b. Allow for applicable laws and standards not to adhered to
- c. Corrective action is implemented continuously throughout the project
- d. Quality improvements need not be identified

**77. Outputs from response development could include all except?**

- a. Risk management plan
- b. Insurance policies
- c. Contingency plan
- d. Corrective action

**78. In dealing with the client/customer, the project manager should always –**

- a. Do whatever it takes to satisfy the customer and win additional business
- b. Develop a friendly, honest, and open relationship
- c. Try to maximize profits by encouraging scope creep
- d. Be honest to the extent that the project organization is protected from litigation

**79. The level of authority of the project manager:**

- a. Is dependent on corporate policies.
- b. Varies considerably from company to company.
- c. Is delegated by senior management.
- d. All of the above.

**80. You are the project manager and responsible for quality audits. You have been accused of being a fanatic because of your practice of conducting not one, but multiple, quality audits on a project. Which one of the following types of audits is not an example of a quality audit?**

- a. Internal
- b. System
- c. Baseline
- d. Scope

**81. Activity A has a duration of 3 days and begins on the morning of Monday the 4th. The successor activity, B, has a finish-to-start relationship with A. The finish-to-start relationship has 3 days of lag, and activity B has a duration of 4 days. Sunday is a non-workday. What can be determined from these data?**

- a. Calendar time between the start of A to the finish of B is 7 days.
- b. Calendar time between the start of A to the finish of B is 11 days.

- c. Calendar time between the start of A to the finish of B is 12 days.
- d. Calendar time between the start of A to the finish of B is 14 days.

**82. In organizing a project, a project manager must deal with conflict. Which statement is true regarding conflict in projects?**

- a. Strong matrix project managers have few human resource conflicts, because they can dictate their needs to functional managers.
- b. Sources of conflict include project priorities, PERT/CPM schedules, contract administrative procedures, and type of contract.
- c. Conflict is to be avoided whenever possible.
- d. A matrix form of organization can produce a lack of clear role definitions and lead to ambiguous jurisdictions between and among functional leaders and project managers.

**83. Design of experiments is an analytical technique which helps**

- a. Determine how various statistical data will interrelate based on results
- b. Anticipate the probability that something will fail
- c. Identify which variables have the most influence on the overall outcome
- d. Allow for random sampling

**84. A scope change control defines the procedures by which the project scope may be changed. It includes**

- a. Performance measurement, tracking systems, and appropriate approval level for authorizing changes
- b. Paperwork, project management information system (PMIS), and appropriate approval level for authorizing changes
- c. Paperwork, tracking systems, and appropriate approval level for authorizing changes
- d. Project management information system (PMIS), change requests modification system, and appropriate approval level for authorizing changes

**85. Which of the following is true regarding schedule variances?**

- a. They always impact the schedule and never the cost
- b. They always impact the cost
- c. They sometimes impact the schedule
- d. They sometimes impact the schedule and always the cost

**86. When choosing the most appropriate form of project organization, the first step is to-**

- a. Produce an initial project plan and determine the functional areas responsible for each task
- b. Develop a project schedule, including a top-down flowchart, and identify the functional areas to perform each task
- c. Refer to the project charter developed by top management
- d. Create the WBS and let it determine the project organizational structure

**87. Steps in effective goal setting are:**

- a. Negotiation, resource allotment, published goals.
- b. Definition, setting completion time, resource allotment, quality standards.
- c. Setting quality standards, setting quantity standards, defining other contributions.
- d. Establish project goals, establish sub team goals, establish individual goals, define reward and recognition plan.



**88. Two of the types of discretionary dependencies that typically have an effect on the sequencing of the activities in the schedule are those containing "hard logic" and those containing "soft logic." An example of a "soft logic" dependency would be:**

- a. Project A, the company's participation in a Pump Industry trade show, depends on the successful completion of Project B, which is building the prototype pump that is going to be displayed.
- b. To install the plumbing and electrical work at the same time on a single family dwelling.
- c. To schedule all moving of equipment weighing in excess of 5 tons because it would take too much time now do move the equipment.
- d. For the wrapping of a box of software to depend on enclosing the manual and software first.

**89. As part of your project plan you must develop an effective method of communication for your multinational team of stakeholders. You have several choices of media available. The appropriate action to take in the development of the communication plans would be to:**

- a. Use the standard media that has been in effect for your previous projects
- b. Use multiple forms of media to ensure that everyone receives the information
- c. Discuss the available options with the stakeholders and obtain their input
- d. Obtain additional funding from the project sponsor and develop a project specific communications infrastructure.

**90. You are managing the development of a highly controversial project. Today you called a team meeting and explained the project objectives to the team and several members stood up and left citing philosophical objections to the project. You chased them down the hall trying to convince them to work on the project and explaining that you would use the best quality management plan available for this work. One of the team members stopped abruptly and demanded to know what the purpose of such a plan would be. You explained that the objective of any quality management plan is to-**

- a. Create some regulations to govern the project
- b. Ensure that process adjustments are made in a timely fashion
- c. Improve quality in every aspect of project performance
- d. Ensure that the scope management plan is followed

**91. Inputs to procurement planning include**

- a. Scope statement, Product description, Procurement resources, market conditions, other planning outputs and expert judgment
- b. Scope statement, Product description, Procurement resources, market conditions, other planning outputs, constraints and assumptions
- c. Scope statement, Product description, Procurement resources, market conditions, other planning outputs and work breakdown structure
- d. Scope statement, Product description, Procurement resources, market conditions, other planning outputs and procurement documents

**92. Information typically required to determine project communications requirements include**

- a. Project organization and stakeholder responsibility relations
- b. Disciplines, departments, and specialties involved in the project
- c. External information needs
- d. All of the above

**93. You are managing a project to develop nutritional soda for the "under 20" market. You have recently heard that the client calls your progress reports the "Code of Crap" because they seem to be written in a foreign language and incomprehensible. This situation could have been avoided by-**

- a. Informing the client at the start of the project of the types of reports they will receive
- b. Using risk management techniques to identify client issues
- c. Hiring an expert report writer to prepare standard reports
- d. Developed a communications plan

**94. Investment in project development prevention is most often borne by the**

- a. Performing organization
- b. Project manager
- c. Project team
- d. Product user

**95. Inputs to contract administration include**

- a. Contracts, work results, change request and seller invoices
- b. Contracts, work results, scope request and seller invoices
- c. Contracts, work results, contract change control system
- d. Contracts, work breakdown structure, change request and seller invoices

**96. The project manager, when communicating with an action-oriented person should-**

- a. Be as brief as possible
- b. Provide options, including the pros and cons
- c. Remain patient
- d. Speak as quickly to ensure that all the information is conveyed

**97. What are the tools and techniques for project plan development?**

- a. Project planning methodology, stakeholder skills and knowledge, project management information system (PMIS) and the work breakdown structure
- b. Project planning methodology, stakeholder skills and knowledge, project management information system (PMIS) and historical information
- c. Project planning methodology, stakeholder skills and knowledge, project management information system (PMIS) and the project plan
- d. Project planning methodology, stakeholder skills and knowledge, project management information system (PMIS) and earned value management (EVM)

**98. The diagram which ranks defects in the order of frequency of occurrence, using a histogram to depict 100 percent of the defects is called:**

- a. Bar chart
- b. Critical path
- c. Network chart
- d. Pareto chart

**99. Team development is based on the-**

- a. Individual development of each team member
- b. Training provided to the project team
- c. Project's organizational climate of cooperation, open communication, and trust

d. Organizational structure of the project

**100. You are ready to enter a negotiating session with a group that is from Russia. The Russians have been known to be aggressive and assertive people who like to talk much more than they like to listen. To earn your bonus, you must not be at a disadvantage in your negotiations with them. Therefore, you must concentrate on-**

- a. Active listening
- b. Earning the trust on the other side of the negotiating table
- c. Seating arrangements in the negotiating room
- d. Setting and following strict time limits at each step of the negotiating process

## **ANSWERS**

- 1. b. Documentation reviews, information-gathering techniques, checklists, assumptions analysis, diagramming techniques
- 2. d. Document the dispute and refer to the provisions of the contract that address
- 3. c. Fast-tracking
- 4. b. The work breakdown structure is deliverable oriented
- 5. d. All of the above
- 6. a. Physical resources, quantities
- 7. c.
- 8. d. Project plan, performance reports and change request
- 9. b. Inspection
- 10. c. The project plan
- 11. d. All of the above
- 12. b. During the scope definition effort
- 13. a. Contract documentation
- 14. d. A sampling of a given lot must have 20 percent or fewer defects
- 15. c. Risk
- 16. b. Procurement management plan and statement of work
- 17. b. Screening system
- 18. b. Quality policy, product description, scope statement, product description standards and regulations
- 19. b. Would not be performed
- 20. a. EV/PV
- 21. a. Using the arrow diagramming method instead of the precedence diagramming method (PDM) of scheduling.
- 22. a. Response planning & risk mitigation
- 23. b. Degree of authority the project manager has over team resources
- 24. a. Initiation
- 25. d. Increased conflict
- 26. a. Free float is commonly referred to as "slack time," whereas total float is commonly referred to as "float time."
- 27. a. Communicate those weaknesses and establish a performance improvement program
- 28. b. Performance measurement
- 29. d. Placement of the activity on the logic diagram line.
- 30. a. Performance reviews, variance analysis, trend analysis, earned value analysis, information distribution tools and techniques
- 31. c. Scope statements, constraints, assumptions, other planning outputs, historical information
- 32. d. An agreement, a subcontract, a purchase order, memorandum of understanding
- 33. b. Modification to the agreed upon project scope as defined in the work breakdown structure
- 34. b. Communication requirements, communications technology, constraints, assumptions
- 35. d. Triggers
- 36. d. Ensure there is a reasonably clear and factual basis for reporting the violation
- 37. c. Manager external to project

38. c. Project Management Professional Code of Professional Conduct
39. a. Pareto like Scatter diagrams use two variables
40. b. Work results, product documentation, work breakdown structure, scope statement, project plan
41. c. Each side may misinterpret what the other side has said
42. a. Project plan updates, corrective action and lessons learned
43. d. Risk response planning
44. a. Potential risk events
45. d. Performance reporting tools and techniques, project reports, project presentations
46. d. Change control system
47. d. Review the condition of employment with the new hire and advise her to reconsider the offer.
48. d. Product analysis, benefit/cost analysis, alternative identification, expert judgment
49. b. Inspection
50. a. Reduce productivity
51. d. As the basis for organizing and defining the total scope of the project
52. d. All of the above
53. d. All of the above
54. d. Project plan, supporting detail, organizational policies, preventive action and corrective action
55. a. Acceptance of the work results while quality control is primarily concerned with the correctness of the work results.
56. c. Inspection, control charts, Pareto diagrams, statistical sampling, flow-charts, trend analysis
57. c. Hold a performance review
58. d. Moving beyond cultural stereotyping and seeing people as individuals with unique personality traits and experiences
59. a. Subdividing the major project deliverables into smaller, more manageable components
60. d. Integrity of others
61. d. They are reluctant to confront any interpersonal conflicts that may occur in the process
62. c. The basis for most schedule simulations
63. c. Project charter, organizational risk management policies, defined roles and responsibilities, stakeholder risk tolerance, templates for the organization's risk management plan, and the work breakdown structure
64. c. Problem oriented
65. b. 70 weeks
66. c. Formal procedure
67. c. A deliverable-oriented grouping of project components that organizes and defines the total scope of the project
68. b. Make-or-buy analysis, expert judgment, contract type selection
69. d. Variances that are special
70. c. Scope definition
71. d. The project's budget.
72. d. All of the above
73. a. On a regular basis throughout project lifecycle
74. d. Work breakdown structure, resource requirements, resource rates, activity duration estimates, estimating publications, historical information, chart of accounts, risks
75. c. It is a summary task at the lowest level of the Work breakdown structure
76. a. The product of the project is fit for use and meets safety standards
77. d. Corrective action
78. b. Develop a friendly, honest, and open relationship
79. d. All of the above
80. d. Scope
81. b. Calendar time between the start of A to the finish of B is 11 days.
82. d. A matrix form of organization can produce a lack of clear role definitions and lead to ambiguous jurisdictions between and among functional leaders and project managers.

- 83. c. Identify which variables have the most influence on the overall out come
- 84. c. Paperwork, tracking systems, and appropriate approval level for authorizing changes
- 85. c. They sometimes impact the schedule
- 86. a. Produce an initial project plan and determine the functional areas responsible for each task
- 87. b. Definition, setting completion time, resource allotment, quality standards.
- 88. b. To install the plumbing and electrical work at the same time on a single family dwelling.
- 89. c. Discuss the available options with the stakeholders and obtain their
- 90. c. Improve quality in every aspect of project performance
- 91. b. Scope statement, Product description, Procurement resources, market conditions, other planning outputs, constraints and assumptions
- 92. d. All of the above
- 93. d. Developed a communications plan
- 94. a. Performing organization
- 95. a. Contracts, work results, change request and seller invoices
- 96. a. Be as brief as possible
- 97. d. Project planning methodology, stakeholder skills and knowledge, project management information system (PMIS) and earned value management (EVM)
- 98. d. Pareto chart
- 99. a. Individual development of each team member
- 100. a. Active listening