Initiating (Domain 1.0)

THE PROJECT MANAGEMENT PROFESSIONAL (PMP)® EXAM CONTENT FROM THE INITIATING THE PROJECT PERFORMANCE DOMAIN COVERED IN THIS CHAPTER INCLUDES THE FOLLOWING:

✓ Perform project assessment based upon available information, lessons learned from previous projects, and meetings with relevant stakeholders in order to support the evaluation of the feasibility of new products or services within the given assumptions and/or constraints.

✓ Identify key deliverables based on the business requirements in order to manage customer expectations and direct the achievement of project goals.

✓ Participate in the development of the project charter by compiling and analyzing gathered information in order to ensure project stakeholders are in agreement on its elements.

✓ Identify high-level risks, assumptions, and constraints based on the current environment, organizational factors, historical data, and expert judgment, in order to propose an implementation strategy.

✓ Obtain project charter approval from the sponsor, in order to formalize the authority assigned to the project manager and gain commitment and acceptance for the project.

✓ Perform stakeholder analysis using appropriate tools and techniques in order to align expectations and gain support for the project.
✓ Conduct benefit analysis with relevant stakeholders to validate project alignment with organizational strategy and expected business value.

✓ Inform stakeholders of the approved project charter to ensure common understanding of the key deliverables, milestones, and their roles and responsibilities.

The process names, inputs, tools and techniques, outputs, and descriptions of the project management process groups and related materials and figures in this chapter are based on content from A Guide to the Project Management Body of Knowledge (PMBOK® Guide), Sixth Edition (PMI®, 2017).
1. A project manager has just been assigned to a newly approved project and has been tasked with developing the first draft of the project charter. To better understand the financials, the project manager decides to review the net present value and payback period calculated for the project. Which of the following inputs can the project manager reference for this information?
   A. Project budget
   B. Business case
   C. Benefits management plan
   D. Project charter

2. Quincy and Michael are two executives of Widgets for Life, a company providing the latest cool lifestyle gadgets. As part of their annual planning process, they sit down to evaluate three projects linked to their department objectives. They decide to use benefit measurement methods to help them choose which project to select. Which of the following analysis tools are they likely to use?
   A. Linear
   B. Benefit-cost ratio
   C. Multi-objective programming
   D. Nonlinear

3. Carina is a principal project manager of You’ve Got Dogs, a specialty company that creates custom dog apparel and toys. Three months into the project, she kicks off the second phase of a project that is developing high-tech dog bones. As part of her practice, she sits down with her sponsor to determine whether there are any new players that they missed in the first phase, and they hold a discussion on the direction of influence of these new stakeholders. What process is Carina carrying out?
   A. Plan Stakeholder Engagement
   B. Identify Stakeholders
   C. Plan Resource Management
   D. Identify Risks

4. Quincy and Michael are two executives of Widgets for Life, a company providing the latest cool lifestyle gadgets. They have recently selected the next big project and have assigned you as the project manager. This activity is associated with what process group?
   A. Initiating
   B. Planning
   C. Executing
   D. Monitoring and Controlling

5. The project processes are iterative, are results oriented, and interact with each other. Shewhart and Deming developed a concept that reflects this idea. Which of the following is the name of this cycle?
   A. Plan-Do-Check-Act
   B. Initiate-Requirements-Execute-Close
   C. Select-Plan-Monitor-Act
   D. Strategize-Justify-Choose-Execute-Control
6. All of the following are types of project management offices (PMOs) except for which one?
   A. Directive
   B. Center of Excellence
   C. Supportive
   D. Controlling

7. Kaylee has been managing projects for more than a decade and has largely used the Waterfall method. She has recently taken a new job for a company that builds software for mobile devices and has begun studying the Agile method, which is largely used by this company. She begins by studying the Agile principles. What is the formalized document called that identifies 12 principles of the Agile approach?
   A. Agile Principles
   B. Agile Charter
   C. Agile Manifesto
   D. Book of Agile

8. All of the following are tools and techniques of the Identify Stakeholders process except for which one?
   A. Meetings
   B. Data representation
   C. Expert judgment
   D. Agreements

9. All of the following are true regarding project life cycles except for which one?
   A. In the beginning of the project life cycle, costs are low, and few team members are assigned to the project.
   B. Toward the end of the project, stakeholders have the greatest chance of influencing a project.
   C. Risk is highest at the beginning of the project and gradually decreases over the project’s life cycle.
   D. The potential of a project ending successfully is lowest at the beginning and increases as the project progresses through its life cycle.

10. You are a project manager and work in an organization that is considered to be a weak-matrix organizational type. What is a disadvantage of working in this type of organization?
    A. You have little authority.
    B. You have limited funds.
    C. You can only use the Waterfall methodology.
    D. You have job and role stability.
11. According to the Project Management Institute (PMI), a good project manager spends how much time communicating?
   A. 50 percent
   B. 75 percent
   C. 90 percent
   D. 100 percent

12. You are the project manager for a project that will produce a mobile phone application that sends alerts when the UV rays are at dangerous levels, alerting users to stay indoors. You are in the process of acquiring resources to staff the project and obtaining responses from bidders on work that is being outsourced. These activities are associated with what process group?
   A. Planning
   B. Executing
   C. Monitoring and Controlling
   D. Closing

13. Carina is a principal project manager of You've Got Dogs, a specialty company that creates custom dog apparel and toys. She has just obtained approval of the project management plan and is about to publish it to the project team. What process group are the activities she is performing associated with?
   A. Initiating
   B. Planning
   C. Executing
   D. Monitoring and Controlling

14. Phase endings are characterized by which of the following?
   A. Deliverables quality analysis and written sign-off
   B. Completion, review, and approval of deliverables
   C. Deliverables review and written sign-off
   D. Completion, quality analysis, and approval of deliverables

15. Your project has kicked off, and you are beginning a series of overview sessions with key users to determine requirements for a new enterprise resource software implementation. One of your stakeholders is exceptionally contentious and throws obstacles up at every turn. One of the problems she has described does seem to be legitimate. There is an issue with the data from the legacy system that needs to be resolved before moving forward. Which of the following statements is not true regarding this situation?
   A. You should approach this by defining the problem and focus on separating causes and symptoms.
   B. You should use a two-step process involving problem definition and decision-making.
   C. Your decision-making has a timing element.
   D. Your decision-making involves asking questions to determine whether the issues are internal or external to the project.
16. Which of the following is true?
   A. There are five project management process groups, and they are Initiating, Planning, Executing, Monitoring and Controlling, and Closing.
   B. There are 55 project management processes, which can be grouped by process group or Knowledge Area.
   C. There are 10 project management Knowledge Areas, whose processes are performed sequentially.
   D. There are five project management process groups, and they are Initiating, Planning, Managing, Monitoring, and Closing.

17. Your project has kicked off, and you are beginning a series of overview sessions with key users to determine requirements for a new enterprise resource software implementation. One of your stakeholders is exceptionally contentious and throws obstacles up at every turn. One of the problems she has described does seem to be legitimate. There is an issue with the data from the legacy system that needs to be resolved before moving forward. The PMO you report to practices phase sequencing and requires closure of each phase before the next phase can begin. What is this process called?
   A. Gate exit
   B. Phase review
   C. Phase exit
   D. Stage review

18. Sue is the head of an enterprise project management office (PMO). She delivers a presentation at the annual company meeting to describe her roles and responsibilities and the value of the PMO. As part of her presentation, she notes that the PMO is responsible for ensuring that projects, programs, and portfolios are aligned and managed according to the organization’s strategic business objectives. What is this referred to as?
   A. Business management
   B. PMI Talent Triangle™
   C. Organizational project management
   D. Project portfolio management

19. Direct and Manage Project Work, Manage Quality, and Conduct Procurements are processes belonging to what project management process group?
   A. Planning
   B. Executing
   C. Monitoring and Controlling
   D. Closing
20. Which of the following statements best describes stakeholders?

   A. An individual, group, or organization that may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project.
   B. Individuals assigned to carry out the work of the project, as defined by the project management plan.
   C. The person assigned by the performing organization to lead the team that is responsible for achieving the project objectives.
   D. An individual or a group that provides resources and support for the project and is accountable for enabling success.

21. Sally and Joe are two project managers working in the corporate offices of a popular fast food franchise. They are both studying for their PMP® certification, and they have a spirited debate over who is responsible for managing and performing project Integration. Sally claims it is the project sponsor, while Joe adamantly insists it is the project manager. Who is correct?

   A. Both
   B. Sally
   C. Joe
   D. Neither

22. You are the newly appointed project manager of a high-profile, critical project for your organization. The project team is structured outside your normal organizational structure, and you have full authority for this project. What type of organization does this describe?

   A. Hybrid
   B. Strong matrix
   C. Functional
   D. Balanced matrix

23. Yasmin is a senior project manager who has just taken on a project that will produce a new line of medical widgets for a Fortune 100 company. The entire industry is buzzing with excitement over this project, which is estimated to span three years and require an investment of $1.5 billion from the company. What type of project is this?

   A. Megaproject
   B. Strategic project
   C. Program
   D. Portfolio

24. You work in an organization that is considered to be a project-oriented organizational type. What is an advantage of working in this type of organization?

   A. You have high to almost total access to resources.
   B. You have unlimited access to funds.
   C. You are a part-time PM and can straddle two roles.
   D. You have job and role stability.
25. Carina is a principal project manager of You’ve Got Dogs, a specialty company that creates custom dog apparel and toys. She has just finished developing the project charter of a project that will create a new line of high-tech dog bones. What is the significance of the project charter?
   A. Once approved, the project team can begin working on the project.
   B. Once approved, the project manager can begin carrying out planning activities.
   C. Once approved, the project sponsor can begin allocating funds to the project.
   D. Once approved, it gives the project manager authority to apply resources to the project.

26. A project manager considers how best to navigate through the politics of the organization where most of their project team reside. What skill set is the project manager exercising?
   A. Technical project management
   B. Leadership
   C. Strategic and business management
   D. Stakeholder management

27. You are a project manager working on contract. The organization that’s contracted with your company is not happy with the progress of the project to date. They claim that an important deliverable was overlooked and that you should halt the project and reassess how to meet this deliverable. You know that the customer has approved all phases of the project to date. Which of the following statements is true?
   A. You and your company might have to use problem-solving techniques such as arbitration and mediation to reach an agreement.
   B. You and your company might have to use communication techniques such as arbitration and mediation to reach an agreement.
   C. You and your company might have to use negotiation techniques such as arbitration and mediation to reach an agreement.
   D. You and your company might have to use influencing techniques such as arbitration and mediation to reach an agreement.

28. Carina is a principal project manager of You’ve Got Dogs, a specialty company that creates custom dog apparel and toys. She has just obtained approval of the project management plan and is about to publish it to the project team. At this point in the project life cycle, costs are likely to be which of the following?
   A. Lowest
   B. Low
   C. High
   D. Highest

29. What brings together a set of tools and techniques to describe, organize, and monitor the work of project activities?
   A. Projects
   B. Project management
C. Portfolio management
D. Programs

30. Which of the following best describes the purpose of the Monitoring and Controlling process group?
   A. Formulating and revising project goals and objectives, and creating the project management plan
   B. Putting the project management plan into action
   C. Measuring and analyzing project performance to determine whether the project is progressing according to the plan
   D. Bringing the project or phase to a formal, orderly end

31. A project manager has facilitated the decomposition of work packages into activities. She next carries the team through several exercises to identify predecessor and successor activities. The project manager is performing activities associated with which Knowledge Area?
   A. Project Scope Management
   B. Project Schedule Management
   C. Project Time Management
   D. Project Integration Management

32. All of the following are true regarding the Initiating process group except for which one?
   A. The Initiating process group is responsible for developing the document that authorizes the project.
   B. The Initiating process group processes are iterative in nature, and often are revisited at the beginning of every phase.
   C. The Initiating process group is responsible for defining a new project or phase by obtaining authorization to start the project or phase.
   D. The Initiating process group encompasses the fewest number of project management processes.

33. Functional (centralized), matrix, and project-oriented are all types of which of the following?
   A. Communication styles
   B. Organizational cultures
   C. Organizational structures
   D. Project characteristics

34. The project manager has just determined that three functional managers with a high interest in the project hold a particularly high degree of influence in the allocation of enterprise resources. In what activity is the project manager involved?
   A. Developing the resource plan
   B. Developing the stakeholder engagement plan
   C. Determining team assignments
   D. Identifying stakeholders
35. You are very interested in becoming a project manager. You have mentored with other experienced project managers in your organization to learn more about how to be an effective project manager. You’ve been told your organizational skills and communication skills are excellent. However, you need some additional training in accounting and budgeting skills, because you are weak in these general management areas. The mentor who was honest enough to tell you this explained it which of the following ways?

A. You will not be able to sit for the PMP exam unless you get formal training in the general management areas.
B. General management skills are likely to affect project outcomes. If you lack any of these skills, it could affect your project and your career adversely, so you should get some training in these areas.
C. The Estimating Costs and Control Costs processes are under the Planning process group, and you will not be able to pass the questions on the PMP exam that pertain to these processes if you don’t get some training.
D. General management skills are important to your project outcomes, and Estimating Costs and Control Costs are two of the most important processes within the Executing phase of a project, so you should get some training in these areas.

36. A project manager is in the process of documenting how the team will be acquired, managed, and then released. The project manager is performing a process from which Knowledge Area?

A. Project Procurement Management
B. Project Integration Management
C. Project Stakeholder Management
D. Project Resource Management

37. Which project management document provides the project manager with the authority to apply organizational resources to project activities?

A. Project management plan
B. Resource management plan
C. Project charter
D. Business case

38. The project phases together constitute which of the following?

A. Project phases
B. Project management plan
C. Project life cycle
D. Project management

39. Ralph is a project manager for Storm Health. He has struggled since joining the company, and his manager has noticed a gap in a critical PM skill. In a recent kick-off meeting, he struggled to answer questions on how the project aligns with the organization’s goals, insisting it wasn’t relevant. What critical skill should Ralph sharpen?

A. Business management and strategic skills
B. Technical project management skills
C. Communication skills
D. Leadership skills

40. A portfolio manager is leading a project portfolio planning exercise to determine which projects will move forward in the new quarter that support the strategic goals of the portfolio. She decides to use a scoring model to rate projects against the following three criteria: profit potential, ease of use, marketability. Based on the table provided, which project will likely move forward?

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
<th>Project A score</th>
<th>Project B score</th>
<th>Project C score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit potential</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Marketability</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Ease of use</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Weighted score</td>
<td></td>
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</tbody>
</table>

*5 being the highest score

A. Project A
B. Project B
C. Project C
D. None

41. You are a contract project manager and have entered into the requirements-gathering phase of your project. Two of the departments you’re working with on this project have competing interests regarding this project and have done everything they can, including sabotage, to undermine the work so far. To finish up the requirements-gathering phase, you will have to exert some influence. Which of the following statements is not true regarding influencing the organization?

A. Influencing entails the ability to get things done.
B. Influencing requires an understanding of the formal and informal structures of the organization, including the use of power and politics.
C. Politics involves getting the people in these two departments to do things they wouldn’t otherwise do.
D. Power entails getting these two departments with competing interests cooperating effectively to achieve the goals of the project.

42. You are a project manager and are meeting with your team. The goal of this meeting is to determine which processes you should use to effectively manage the project. Which of the following describes what you’re doing?

A. Progressive elaboration
B. Tailoring
C. Phase sequencing
D. Program management
43. Which environmental factor should you pay close attention to when carrying out the Identify Stakeholders process?
   A. Lessons learned and historical repositories
   B. Company culture and organizational structure
   C. Existing policies, procedures, and guidelines
   D. Stakeholder registers from past similar projects

44. You are a full-time project manager working within the customer operations organization, reporting to the VP of customer solutions. Your boss manages the project budget. Which organizational structure do you work in?
   A. Functional
   B. Hybrid
   C. Project-oriented
   D. PMO

45. A project manager is putting together the project charter and is interested in referencing marketplace conditions to understand the factors surrounding the project. What is a valid input that the project manager can reference to get this information?
   A. Organizational process assets
   B. Enterprise environmental factors
   C. Project documents
   D. Lessons learned register

46. You work for Star Bank as a project manager. Your project is so large and risky that you’re not certain the organization should undertake it. You propose conducting a feasibility study, as its own project, to examine the benefits of the new proposed project. The feasibility study is approved and begun. Which of the following statements is not true regarding this project?
   A. The Initiating processes occur at the beginning of the project, when chances for a successful completion are high and the staffing levels are low.
   B. The Initiating processes acknowledge that the next project phase should begin. Costs are low in this process, while the risks are high.
   C. The Initiating processes is where approval is granted to undertake the project and the organization’s resources are authorized to begin work.
   D. The Initiating processes acknowledge that the next project phase should begin. The stakeholders have the most influence over the product or service of the project during this process.
47. You are the project manager for a company that produces mobile phone applications. Currently, the director of the consumer division is evaluating two projects. Funding exists for only one project. Project UV aims to produce a mobile phone application that sends alerts when the UV rays are at dangerous levels, alerting users to stay indoors; Project Fun aims to send alerts when it detects that users have not visited any destinations outside of their usual routine. The director asks you to calculate the payback period and NPV for both projects, and here is what you derive:

Project UV: The payback period is 12 months, and the NPV is (100).
Project Fun: The payback period is 18 months, and the NPV is 250.

Which project would you recommend to the director?
A. Project UV, because the payback period is shorter than Project Fun
B. Project Fun, because the NPV is a positive number
C. Project UV, because the NPV is a negative number
D. Project Fun, because the NPV is a higher number than Project UV

48. Which method of analyzing stakeholders considers power, urgency, and legitimacy?
A. Stakeholder cube
B. Salience model
C. Power/interest grid
D. Power/influence grid

49. Plan Schedule Management, Estimate Activity Durations, and Control Schedule are processes that belong to what project management Knowledge Area?
A. Project Time Management
B. Project Integration Management
C. Project Schedule Management
D. Project Resource Management

50. All of the following make up the PMI Talent Triangle™ except for which one?
A. Communication skills
B. Business management and strategic skills
C. Technical project management skills
D. Leadership skills

51. All of the following are true regarding project phases except for which one?
A. Project phases generally consist of segments of work that allow for easier management, planning, and control.
B. PMOs may have predefined phases based on stakeholder or management needs.
C. Phases are described by attributes, such as name, number, duration, and resource requirements.
D. Project phases generally do not produce deliverables by the end of the phase.
52. A project team is using iterations within the project to introduce new functionality and complete the project deliverables. What development life cycle is the project team following?
   A. Predictive
   B. Iterative
   C. Incremental
   D. Hybrid

53. Sue is the head of an enterprise project management office (PMO). She delivers a presentation at the annual company meeting to describe her roles, responsibilities, and the value of the PMO. As part of her presentation, she outlines the general responsibilities of a PMO. All of the following describe the types of support that PMOs typically provide except for which one?
   A. Establishing the company’s strategic objectives and selecting projects that realize those objectives
   B. Providing an established project management methodology, including templates, forms, and standards
   C. Mentoring, coaching, and training project managers
   D. Facilitating communication within and across projects

54. All of the following statements describe the Project Scope Management Knowledge Area except which one?
   A. It’s concerned with defining all of the work of the project.
   B. It has six processes.
   C. Its processes occur in four of the five project management process groups.
   D. It’s similar to Project Quality Management in that both Knowledge Areas are concerned with the product of the project meeting the requirements of the project.

55. The project manager has just determined that three functional managers with a high interest in the project hold a particularly high degree of influence in the allocation of enterprise resources. Where is the project manager likely to document this information?
   A. Stakeholder analysis
   B. Resource management plan
   C. Stakeholder engagement plan
   D. Stakeholder register

56. Change-driven life cycles are also known by what other name?
   A. Adaptive life cycle
   B. Predictive life cycle
   C. Plan-driven life cycle
   D. Hybrid life cycle
57. You are in the Initiate phase of your project and have just begun the process of identifying stakeholders. What documents can you use to help get you started?
   A. Agreements and business case.
   B. Stakeholder register and risk register.
   C. Stakeholder register and matrix.
   D. None. Interviews are your only hope.

58. Which of the following represents characteristics of the Planning process group?
   A. Costs are high.
   B. Staffing is lowest.
   C. Chance for successful project completion is medium.
   D. Stakeholder influence is high.

59. Reasons to Lyv is the top client of a large marketing firm. Trudy is the president of Reasons to Lyv and has decided to launch a product that leverages new GPS tracking technology. She has high confidence that the project will be a success and asks the marketing firm to make it their top priority by generating a unique campaign that will run in parallel with her project. Billy, a top executive from the marketing company, briefs his team about this unique situation that they have not managed before, and a project is launched shortly thereafter. Billy’s project came about as a result of what?
   A. Strategic opportunity
   B. Environmental considerations
   C. Technological advance
   D. Customer request

60. You have just started working for a new company. Your previous project management experience made you stand out from your competitors. Your new business cards are being printed with the title of Project Coordinator. You discover that the project charter for the project you are working on was never written, so you volunteer to draft one, even though the work of the project has started. The vendor who is assisting with the project is already on board and is working with (and reporting to) the Engineering division. You report to the Construction division. Which of the following is true?
   A. You are working in a weak matrix organization and are in the Executing phase of the project.
   B. You are working in a strong matrix organization and are in the Initiating phase of the project.
   C. You are working in a strong matrix organization and are in the Executing phase of the project.
   D. You are working in a weak matrix organization and are in the Planning phase of the project.
61. You are the project manager for a large project. The initial project schedule shows the project takes approximately three years to complete. Some of the stakeholders have changed over the course of this project, and new stakeholders will become involved toward the end of the project. The project team members have also changed as the project has evolved into a new set of deliverables. You are having a difficult time motivating the new team members. The techniques you used with the previous team don’t seem to be working with this team. More resources will be brought on and off the project team at various stages throughout the life cycle, so you’d like to resolve this problem soon. You know from studying the Project Resource Management Knowledge Area that you should do which of the following?

A. The processes in this Knowledge Area ensure that the human and material resources involved on the project are used in the most effective way possible.
B. The same communication style should be used throughout the life of the project.
C. You will change the techniques used to motivate, lead, and coach the human resources involved on the project as the project progresses.
D. This Knowledge Area’s processes include Acquire Resources, Develop Team, and Manage Team.

62. The project sponsor has approached you with a dilemma. The CEO announced at the annual stockholders’ meeting that the project you’re managing will be completed by the end of this year. The problem is that this is six months prior to the scheduled completion date. It’s too late to go back and correct her mistake, and stockholders are expecting implementation by the announced date. You must speed up the delivery date of this project. Your primary constraint before this occurred was the budget. What actions can you take to help speed up the project?

A. Hire more resources to get the work completed faster.
B. Ask for more money so that you can contract out one of the phases you had planned to do with in-house resources.
C. Utilize negotiation and influencing skills to convince the project sponsor to speak with the CEO and make a correction to her announcement.
D. Examine the project plan to see whether there are any phases that can be fast tracked and then revise the project plan to reflect the compression of the schedule.

63. You are in the midst of performing the Project Cost Management Knowledge Area. You discover there are two competing alternatives to decide between. You can hire a contractor to build one of the project’s deliverables, or you can buy the deliverable from an overseas supplier. Both options require acquisition, operating, and disposal costs that you compare between the two alternatives to make a decision. What is this technique called?

A. Value engineering
B. Life-cycle costing
C. Earned value management
D. Financial analysis

64. All of the following statements are true regarding NPV except which one?
A. NPV assumes reinvestment at the cost of capital.
B. Projects with NPV greater than zero should receive a go decision.
C. NPV is the discount rate when IRR equals zero.
D. Projects with high returns early on should be favored over projects with low returns early on.

65. Project selection methods might include all of the following except for which one?
A. Benefit measurement methods
B. Constrained optimization analysis
C. NPV calculations
D. Alternatives analysis

66. All of the following are considered to be factors that influence the initiation of a project except for which one?
A. Compliance, legal requirements, or social requirements
B. Stakeholder needs and requests
C. Enhancement of existing operations
D. Improvement of processes, services, or products

67. You are a project manager working on contract for an upscale retail toy store. Your project involves implementing a Party Event Planner department in stores in 12 locations across the country as a pilot to determine whether this will be a profitable new service all the stores should offer. You’ve identified two alternative methods of implementing the pilot. Alternative A’s initial investment equals $598,000. The PV of the expected cash inflows is $300,000 in year 1 and $300,000 in year 2. The cost of capital is 12 percent. Alternative B’s initial investment equals $625,000. The PV of Alternative B’s expected cash inflows is $323,000 in year 1 and $300,000 in year 2. The cost of capital is 9 percent. Which of the following is true?
A. Alternative A will earn a return of at least 12 percent.
B. Alternative B will earn a return of at least 9 percent.
C. The return is not known for either Alternative A or Alternative B.
D. Both alternatives are viable choices.
68. You work in the pharmaceutical industry, and your organization is considering building a new laboratory facility in the Northwest. Market demand is driving new research for diet medications, and the new lab would be dedicated to this product development project. Some stakeholders in your organization are not certain a new lab facility is needed because there is space that can be used in an existing building to host the diet medication research project. You’ve conducted a feasibility study, and the results show two possible ways to meet the space needs. Which of the following is true regarding this situation?

A. Project selection methods are used by executive managers to determine things such as public perception, financial return, customer loyalty, and so on, and are used only to choose among alternative projects.

B. Project selection methods are used before the Develop Project Charter process to choose among alternative ways of performing a project.

C. Project selection methods are concerned with the type of things executive managers think about, such as public perception, financial return, customer loyalty, and market share.

D. Project selection methods are an output of an Initiating group process that can be used to choose among alternative ways of doing a project. Project managers are generally involved with selecting among alternative projects.

69. You’ve taken over a project that’s currently in trouble. You’ve held a meeting with the key stakeholders to demonstrate the new product prototype. They came prepared with the product requirements and upon inspection inform you that this prototype is not what the customer specified. Your boss instructs you to get the prototype corrected and make it match the requirements the customer specified before holding a demo with the customer. She also warns you to take a look at the work of the project. She’s concerned that things aren’t happening as planned and that the last project manager was not paying close enough attention to the project plan. Corrections might be needed. What Knowledge Area does this describe?

A. Project Schedule Management

B. Project Scope Management

C. Project Integration Management

D. Project Risk Management

70. All of the following processes belong to the Project Integration Management Knowledge Area except for which one?

A. Manage Project Knowledge

B. Identify Stakeholders

C. Monitor and Control Project Work

D. Close Project or Phase
71. Your project selection committee is considering four projects. Project A’s NPV is positive, it has an IRR of 14 percent, and the payback period is 21 months. Project B’s NPV is negative, it has an IRR of 9 percent, and the payback period is 16 months. Project C’s NPV is positive, it has an IRR of 16 percent, and the payback period is 18 months. Project D’s NPV is negative, it has an IRR of 16 percent, and the payback period is 13 months. Which project should you choose?
   A. Project A
   B. Project B
   C. Project C
   D. Project D

72. You are a senior manager overseeing projects for Fun Days Vacation Packages. You manage groups of projects and weigh the value of each project against the business’s strategic objectives. You also monitor projects to make certain they adhere to those objectives and that you get the most efficient use of resources possible. Which of the following does this scenario describe?
   A. Project and program management
   B. Project management
   C. Program management
   D. Portfolio management

73. You have used several cash flow methods to determine alternative ways of performing your current project. Which of the following do you know is true regarding the results of your cash flow analysis?
   A. Payback period and IRR will generally give you the same accept/reject decision.
   B. NPV and discounted cash flows will generally give you the same accept/reject decision.
   C. Payback period and discounted cash flows will generally give you the same accept/reject decision.
   D. NPV and IRR will generally give you the same accept/reject decision.

74. You are working on the creation of a new television series. Your organization has created many winning series in the past. However, no other series on the air is like the series that’s being proposed. The series must be ready to debut during sweeps week in November. Which of the following statements is true?
   A. This is a project, because the series is unique and it has a definite beginning and ending date.
   B. This is an ongoing operation, because the organization exists to create television series.
   C. This is an ongoing operation, because the series will be on the air for many years. It’s not temporary.
   D. This is not a unique product, because the organization exists to create television series.
75. The Project Stakeholder Management Knowledge Area is concerned with which of the following?
   A. Identifying all of the stakeholders associated with the project and strategizing how to effectively engage them
   B. Identifying all of the stakeholders associated with the project and strategizing how to exceed their expectations
   C. Identifying all of the stakeholders associated with the project and strategizing against those that can derail the project
   D. Identifying all of the stakeholders associated with the project and strategizing how to control them

76. You are working on the creation of a new television series. The producer for this series has informed you that he is the final decision-maker for all questions that arise during the course of the series. He tells you that he'll set up a meeting with you to discuss the budget he's set aside for the project. Your organization has created many winning series in the past, almost all of which had the same producer as the one for this project. The producer believes this will be the best series they have produced to date and has already generated a lot of excitement about this project. No other series on the air is like the series that's being proposed. The series must be ready to debut during sweeps week in November. Which of the following is true?
   A. The producer’s only involvement on the project is to provide funds.
   B. The producer is the project manager.
   C. The producer is the project sponsor.
   D. The producer is the program manager.

77. Antwon is the director of marketing for a midsize company. You run into him while heating coffee in the office kitchenette and ask him what he’s up to. He explains that he’s in the process of evaluating project proposals to determine which best support the department and company’s annual goals. In what activity is Antwon involved?
   A. Project management
   B. Program management
   C. Portfolio management
   D. Agile management

78. The project manager reviews lessons learned from past similar projects to start the project off on the right foot. What input contains lessons learned and historical information from past projects?
   A. Organizational process assets
   B. Enterprise environmental factors
   C. Project documents
   D. Lessons learned register
79. All of the following statements are true except for which one?
   A. Estimate Activity Resources is a key step in developing the schedule and is a process belonging to the Project Schedule Management Knowledge Area.
   B. Plan Resource Management, Estimate Costs, and Control Procurements are all project management processes.
   C. Project Integration Management, Project Scope Management, and Project Schedule Management are examples of project management Knowledge Areas.
   D. There are a total of 49 project management processes.

80. Your project selection committee is evaluating three projects. They are using a weighted scoring model that has three criteria: decrease training time, streamline customer support functions, and return on investment. The weights for these criteria are 5, 4, and 2, respectively. Your selection committee has finished scoring the three projects and has given you the scores for the three criteria. They are as follows:
   - Project 1: decrease training = 5, streamline support = 3, return on investment = 5
   - Project 2: decrease training = 3, streamline support = 5, return on investment = 5
   - Project 3: decrease training = 4, streamline support = 4, return on investment = 3
Which project should you choose based on the scores from the weighted scoring model?
   A. Project 3
   B. Project 2
   C. Project 1
   D. There isn't enough information in the question to determine an answer.

81. Sue is the head of an enterprise project management office (PMO). She has been given a high degree of authority within the company, and project managers report directly to the PMO. What type of PMO does Sue lead?
   A. Supportive
   B. Controlling
   C. Directive
   D. There isn't enough information in the question to determine an answer.

82. All of the following are examples of constrained optimization methods except for which one?
   A. Economic models
   B. Integer
   C. Dynamic
   D. Multi-objective programming
83. Which of the following is true about benefit-cost ratio?
   A. It is the quickest and least precise project selection method.
   B. It uses algorithms to calculate the ratio.
   C. Benefit-cost ratio is the most difficult equation to calculate.
   D. Benefit-cost ratio is also known as cost-benefit analysis.

84. All of the following are true regarding projects except for which one?
   A. They are temporary in nature.
   B. They can be progressively elaborated.
   C. They produce unique products, services, or results.
   D. They can continue without an ending date.

85. Which of the following project management Knowledge Areas involve every team member and stakeholder on the project?
   A. Project Scope Management
   B. Project Communications Management
   C. Project Resource Management
   D. Project Quality Management

86. Roshoud is the VP of customer operations for Galactic Kidz and project sponsor of the latest project, called Project G. He sits down with Sally, the project manager, to discuss and document roles and responsibilities. What Knowledge Area are they engaged in?
   A. Project Integration Management
   B. Project Procurement Management
   C. Project Resource Management
   D. Project Stakeholder Management

87. What is the present value of $8,000 received three years from the present using a 7 percent interest rate? Assume all options are rounded to the nearest whole dollar.
   A. $9,800
   B. $6,530
   C. $9,680
   D. $6,612

88. Which of the following is a valid tool or technique that aids the project manager, or other assigned organizational resource, in developing the project charter?
   A. Brainstorming
   B. Business case
C. Enterprise environmental factors
D. Organizational process assets

89. Who is responsible for determining which processes within each process group are appropriate for the project?
   A. The project manager
   B. The project team
   C. The project manager and project sponsor
   D. The project manager and project team

90. Carina is a principal project manager of You’ve Got Dogs, a specialty company that creates custom dog apparel and toys. She has just concluded the Design phase and is scheduled to perform a phase review with the steering committee facilitated by the company’s PMO. Phase reviews are also called by what other name?
   A. Kill point
   B. End point
   C. PMO review
   D. Project review

91. You are a project manager for the information technology division of a local satellite TV broadcasting company. This spring, the chief information officer for your company gave you the job of converting and upgrading all the PCs in the department to the latest release of a specific desktop application. Prior to this conversion, all manner of desktop software existed on machines throughout the company and had caused increasing problems with sharing files and information across the company. A lot of unproductive hours were spent converting information into several formats. This project came about as a result of which of the following?
   A. Business need
   B. Market demand
   C. Technological advance
   D. Social need

92. Two project managers preparing for the PMP exam sat and debated over the various ways that project life-cycle phases could be performed. The project managers would be covering all of the following except for which one?
   A. Sequential
   B. Fast tracked
   C. Iterative
   D. Overlapping
93. You’ve decided to branch out into project management consulting and have landed your first contracting assignment. You are working on an exciting project for a midsize company that provides pet-sitting services in people’s homes. The employee who is the designated project manager on this project doesn’t have much experience running projects. He insists that all the stakeholders have been identified and that he alone understands their expectations so there is no need for you to meet with them. As a more experienced project manager, you know which of the following is true?

A. He is correct. You do not need to meet with the stakeholders as long as they have been identified. His knowledge of their expectations alone is sufficient.
B. You should meet with the stakeholders. Project Communications Management is concerned with documenting the needs and demands of the stakeholders and capturing this information in the project scope statement.
C. You do not need to meet with the stakeholders since they have already been identified. You can meet them when you capture their requirements in the Collect Requirements process, which is part of the Project Integration Management Knowledge Area.
D. You should meet with the stakeholders, identify them, assess their needs, and record their expectations as part of the Project Stakeholder Management Knowledge Area.

94. You are a project manager for Wedding Planners, Inc. Since every wedding is unique, your organization believes in managing each one as a project. You’ve come up with a great idea for a new event that you’re certain customers will love and that will also profit the company. Your boss asks you to investigate alternative methods for implementing the new idea and come back with a recommendation. You discover that Alternative A could yield revenues of $21 million over the next two years, while Alternative B could yield revenues of $29 million over three years. The finance manager told you to use 5 percent as the cost of capital. Which project should you choose and why?

A. Alternative A, because the discounted cash flows are $19,047,619 while the discounted cash flows for Alternative B are $25,051,831.
B. Alternative B, because its yield is higher than Alternative A’s yield.
C. Alternative B, because the discounted cash flows are $26,303,854 while the discounted cash flows for Alternative A are $19,047,619.
D. Alternative B, because the discounted cash flows are $20,000,000 for Alternative A while the discounted cash flows for Alternative B are $27,619,047.

95. Which of the following statements describe the project management Knowledge Areas?

A. Include Initiation, Planning, Executing, Monitoring and Controlling, and Closing.
B. Consist of 10 areas that bring together processes that have things in common.
C. Consist of five processes that bring together phases of projects that have things in common.
D. Include Planning, Executing, and Monitoring and Controlling processes because these three processes are commonly interlinked.
96. You are a project manager for Rhone Valley Importers. Your buyer has found a new product that she's convinced will sell well in this country. Taking on this new product introduces considerable opportunity for the company but at the same time is also a considerable threat. The cost of this product exceeds anything your company has imported before, and if it doesn’t sell as well as the buyer thinks it will, the company could go into bankruptcy. You determine that a feasibility study is in order. Which of the following statements is not true?

A. A feasibility study should be conducted to determine the potential market, costs, risks, and other factors.
B. One purpose of the feasibility study is to determine marketing demand for the new product that could in turn become the demand that drives the project.
C. During the feasibility study, you could use the Project Risk Management processes to identify all opportunities and exploit their possibilities, determine the potential threats, and minimize the probability and consequences of those threats.
D. One of the end results of the feasibility study might be to produce a project charter that will include a description of the intended outcome of the project, a budget, and a detailed project schedule for management review.

97. Your selection committee can choose only one of the following projects: Project A's original investment is $1 million, the present value of the cash inflows is $1 million, and the discount rate is 4 percent. Project B’s original investment is $1.4 million, the present value of the cash inflows is $1.4 million, and the discount rate is 6 percent. Project C’s original investment is $1.8 million, the present value of the cash inflows is $1.8 million, and the discount rate is 7 percent. Which project should the committee choose?

A. Project C
B. Project B
C. Project A
D. There isn’t enough information in the question to determine an answer.

98. A project manager has been asked to calculate the payback period for her project. The project’s investment is $500,000, with expected cash inflow of $50,000 for the first two quarters and $100,000 for every quarter thereafter. What is the payback period?

A. 6 months
B. 12 months
C. 18 months
D. 24 months

99. Your selection committee can choose only one of the following projects: Project A’s original investment is $1 million, and the payback period is 18 months. Project B’s original investment is $1.4 million, and the payback period is 18 months. Project C’s original investment is $1.8 million, and the payback period is 18 months. Which project should the committee choose?

A. Project A
B. Project B
C. Project C
D. There isn’t enough information in the question to determine an answer.
100. Nicolas is the project manager of a project that has been described as revolutionizing the mobile fitness tracking industry. After consulting with his team of subject-matter experts, he decides to use Agile project management. Nicolas’s project team continues to build on the product through two-week iterations. Iterations are also known by what other name?
   A. Phase  
   B. Sprint  
   C. Deliverable  
   D. Stand-up

101. All of the following statements are true except for which one?
   A. A highly predictive life cycle has reduced risk and costs due to detailed plans.  
   B. A highly predictive life cycle contains requirements that are progressively elaborated.  
   C. A highly adaptive life cycle has continuous involvement and frequent feedback from stakeholders.  
   D. A highly adaptive life cycle performs Initiating activities regularly throughout the project.

102. A project manager performing Closing activities is currently focused on addressing the highest business value items first. What life cycle is she using to deliver her project?
   A. Highly predictive  
   B. Adaptive  
   C. Highly adaptive  
   D. Waterfall

103. Quincy and Michael are two executives of Widgets for Life, a company providing the latest cool lifestyle gadgets. They’ve learned that a new federal law will be passed that regulates how personal data may be collected and used. Many of Widgets for Life’s gadgets collect data, which has been made possible by advancements in technology. As a result, they decide to launch a new project that will address the requirements of the new law. This project came about as a result of what need?
   A. Federal request  
   B. Legal requirement  
   C. Technological advance  
   D. Organizational need

104. Kaylee is a risk manager working in collaboration with Alyssa, a project manager, and both work for a top healthcare company. They partner to facilitate a session to determine how the project team can best exploit an opportunity that was recently identified. Kaylee and Alyssa are performing activities associated with what project management Knowledge Area?
   A. Project Integration Management  
   B. Project Risk Management  
   C. Project Scope Management  
   D. Project Procurement Management
105. A method of managing projects in small, incremental portions of work that can be easily assigned and completed within a short period of time describes what methodology?
   A. Waterfall
   B. Lean
   C. Agile
   D. Iterative

106. Which of the following best describes how Planning activities are performed in a highly adaptive (Agile) life cycle?
   A. Once the plan is approved, changes that impact scope, time, or budget are controlled and minimized.
   B. Progressive elaboration of scope based on continuous feedback
   C. High-level plan developed and elaborated as project progresses
   D. Work is performed as requirements are defined.

107. A business analyst has just facilitated a requirements-gathering session. The following week, the project manager begins the process of capturing and documenting the project’s deliverables and creating a work breakdown structure. The business analyst and project manager are carrying out processes that belong to which of the following Knowledge Areas?
   A. Project Schedule Management
   B. Project Integration Management
   C. Project Requirements Management
   D. Project Scope Management

108. After meeting with several subject-matter experts, the project manager determines that the project phases will need to occur one after the other. What project life cycle is the project manager using?
   A. Sequential
   B. Overlapping
   C. Iterative
   D. Incremental

109. Which of the following best describes the role of a product owner within the Agile methodology?
   A. The product owner coordinates the work of the sprint and runs interference between the team and distractions keeping them from their work.
   B. The product owner has a vested interest in the project or the outcomes of the project and interfaces with stakeholders.
   C. The product owner represents the stakeholders and is the liaison between the stakeholders, the scrum master, and the development team.
   D. The product owner is responsible for completing the backlog items and signing up for tasks based on priorities established.
110. During the first project kick-off meeting, Ron introduces himself to key team members, noting that he will work hard to minimize distractions that may keep them from their work at hand and will serve in more of a facilitator role. What is Ron’s role?
   A. Scrum master
   B. Product owner
   C. Stakeholder
   D. Team member

111. A project manager following an Agile life cycle receives a request from the customer to alter a requirement. How will the project manager likely respond?
   A. Blocks change
   B. Welcomes change
   C. Prevents change
   D. Indifferent about change

112. All of the following statements are true except for which one?
   A. Operations involves work that is continuous without an ending date.
   B. Projects are temporary but can extend over multiple years.
   C. Progressive elaboration refers to a deferral in planning.
   D. A project can evolve into ongoing operations.

113. Which of the following project selection methods is considered to be the least precise?
   A. Payback period
   B. Benefit-cost ratio
   C. Scoring models
   D. Net present value

114. A product owner calls the scrum master and requests to see the remaining work effort for the sprint. What is the scrum manager likely to show the product owner in response?
   A. A bubble chart
   B. A status report
   C. A burn-down chart
   D. A sprint summary chart

115. You are a project manager reporting to the director of operations. You navigate to the department’s PMO intranet set to download the latest project charter template. What type of PMO is this?
   A. Supportive
   B. Controlling
C. Directive
D. There isn’t enough information in the question to determine an answer.

116. At what point in the project life cycle do costs peak?
A. Initiating
B. Planning
C. Executing
D. Closing

117. Reasons to Lyv is the top client of a large marketing firm. Trudy is the president of Reasons to Lyv and has decided to launch a product that leverages new GPS tracking technology. She has high confidence that the project will be a success and asks the marketing firm to make it their top priority by generating a unique campaign that will run in parallel with her project. Billy, a top executive from the marketing company, briefs his team about this unique situation that they have not managed before, and a project is launched shortly thereafter. Trudy’s project came about as a result of what?
A. Strategic opportunity
B. Environmental considerations
C. Technological advance
D. Customer request

118. Agile project management can best be described as which of the following?
A. A method that focuses on defining the requirements of the project early on in the project life cycle, before moving into execution
B. An underlying concept that shows the integrative nature of the process groups that notes that each element in the life cycle is results-oriented
C. A method of managing projects through large portions of work that can be easily planned and executed to produce the overall product, service, or result of the project
D. A method of managing projects in small, incremental portions of work that can be easily assigned, easily managed, and completed within a short period of time called iterations

119. All of the following are examples of formal project management Knowledge Areas except for which one?
A. Project Requirements Management
B. Project Integration Management
C. Project Procurement Management
D. Project Stakeholder Management
120. During a company town hall, the sponsor of your project announced that a new high-priority project will be kicking off in the next quarter. This is distressing news since resources are at a premium. You kick into preventive measures and pull together subject-matter experts to begin analyzing a way to compress the project schedule to complete the project prior to the next project launch. What activity are you and the subject-matter experts performing?
A. Agile development
B. Overlapping
C. Fast tracking
D. Iterative development

121. Project Integration Management, Project Scope Management, and Project Cost Management are all examples of what?
A. Project management process groups
B. Project management processes
C. Project management Knowledge Areas
D. Project Life Cycle Phases

122. Waterfall, Agile, and PRINCE2 are all examples of what?
A. A set of project management standards
B. Methods of managing a project
C. Global practices for managing projects
D. Project management tools and techniques

123. Many projects fail because of conflicts among stakeholders. Conflict often exists because of which of the following?
A. Conflicting interests
B. Human bias
C. Varying experiences
D. Varying personalities

124. A scrum master brings the team together at 9 a.m. sharp every morning. He asks the team the following questions: What did you accomplish yesterday? What will you work on today? Do you have any roadblocks or issues preventing you from doing your work? What activity is the team engaged in?
A. A status meeting
B. A daily roundup
C. A sprint planning meeting
D. A daily stand-up
125. A short, time-bound period of work is also referred to as which of the following?
   A. Buffer
   B. Lead
   C. Lag
   D. Sprint

126. Which of the following best describes project management Knowledge Areas?
   A. Knowledge Areas collectively form the project life cycle.
   B. Knowledge Areas bring together processes that have characteristics in common.
   C. Knowledge Areas are groupings of project management processes.
   D. Knowledge Areas organize the development life cycle into distinct groupings of activities.

127. Sue is the head of an enterprise project management office (PMO). She delivers a presentation at the annual company meeting to describe her role’s responsibilities and the value of the PMO. As part of her presentation, Sue stresses the critical skill sets that PMs must have in order to be effective. She stresses one in particular, which is that PMs must exhibit the knowledge, skills, and behaviors needed to guide, motivate, and direct a team. What skill set is Sue referring to?
   A. Communication skills
   B. Leadership skills
   C. Business management and strategic skills
   D. Technical project management skills

128. Your project selection committee is meeting later this week and is considering initiating one of two projects. They’ve asked you to recommend the project that will benefit the organization the most. The information you’ve gathered shows the initial investment for Project 1 is $795,000. Monthly cash inflows for the first year are $44,000, and expected cash inflows beginning in year 2 are $156,000 per quarter. Project 2 has an initial investment of $845,000. Expected quarterly inflows for the first year are $180,000. Beginning in the second year, inflows are expected to be $136,000 per quarter. Which project should you recommend to the committee and why?
   A. Project 1, because it has a payback period of 18 months, which is shorter than Project 2’s payback period
   B. Project 2, because it has a payback period of 15 months while Project 2 has a payback period of 18 months
   C. Project 1, because it has a lower initial investment than Project 2
   D. Project 2, because it has a payback period of 16 months while Project 1 has a payback period of 19 months
129. After concluding the sprint, the scrum master, product owner, and team members come together to evaluate the overall progress and work completed and to review any lessons learned. This describes what type of meeting?
   A. A daily stand-up
   B. A sprint retrospective
   C. A scrum meeting
   D. A sprint-planning meeting

130. When is a project considered successful?
   A. When the project budget is consumed, scope developed, and schedule milestones are achieved
   B. When the project budget is consumed and schedule milestones are achieved
   C. When project benefits are realized and stakeholder needs and expectations are met
   D. When objectives are achieved and stakeholder needs and expectations are met

131. All of the collective phases the project progresses through from the start of the project through the end are called what?
   A. Project management life cycle
   B. Phase life cycle
   C. Product life cycle
   D. Project life cycle

132. You have been with your company for three months. You were hired as a project manager and are anxious to get started on your first project. Your organization is considering taking on a project that has considerable risk associated with it and you don’t know the outcome. The selection committee is meeting two weeks from today to decide on this project. Since you’re new to the company, you want to make a good impression. Which of the following will you do?
   A. You make certain that the product description is documented, the strategic plan is considered, and historical information is researched before writing the project charter.
   B. You make certain to pass on the information you’ve gathered and documented to the project sponsor so that she can write the project charter.
   C. You know some of the deliverables in this project will be purchased. You will use EVM techniques to help optimize life-cycle costs when you get to the processes in the Project Cost Management Knowledge Area.
   D. You recommend a feasibility study be conducted as a separate project from this one because the outcome of the project is unknown.

133. Yasmin is a project manager tasked with putting together the project charter for a project that will produce a new line of widgets for the company. After meeting with various key stakeholders, she sits down to draft the document. Yasmin is likely to include all of the following elements within the project charter except for which one?
   A. List of detailed risks
   B. Purpose of the project
C. List of key stakeholders
D. Preapproved budget

134. Nicolas is the project manager of a project that has been described as revolutionizing the mobile fitness tracking industry. After a few preliminary strategy sessions, he pulls together the core team and notes that they will be defining deliverables early in the development life cycle and progressively elaborating them as the project progresses. What development life cycle is Nicolas following on the project?
A. Predictive
B. Iterative
C. Incremental
D. Hybrid

135. A project manager has facilitated the decomposition of work packages into activities. She next carries the team through several exercises to sequence the activities and determine what and how many resources will be needed to perform the work. What is she likely to do next?
A. Estimate how long each activity will take
B. Develop the schedule
C. Run various what-if scenarios against the schedule
D. Break down the activities into deliverables

136. Yasmin is the project manager of a project that will produce a new line of widgets for the company. She guides the project team in defining the project requirements in detail before moving into production. Because of compliance requirements that must be met, she maintains a very rigid change control process for changing requirements. What method is Yasmin using to manage the project?
A. Waterfall
B. Agile
C. Iterative
D. Scrum

137. Nancy is a senior systems engineer who loves to work with people and can typically grasp the big picture. Because of her functional knowledge, organized nature, and ease in getting others to follow her lead, her manager decides to move her into a project manager role. Despite all of her strengths, Nancy struggles greatly with her first project. The first major milestone was missed, and the project was already over budget by $20,000. What part of the PMI Talent Triangle™ is Nancy missing?
A. Technical project management
B. Leadership
C. Strategic and business management
D. Schedule management
Robert is a practicing project manager who is studying for his PMP exam. During a study session with a colleague, he insists that it is important for project managers to consider all 49 project management processes, while his colleague insists that it is not necessary and that project managers should carry out only the necessary processes. Who is correct?

A. Robert
B. Robert’s colleague
C. Both
D. Neither

A portfolio manager is leading a project portfolio planning exercise to determine which projects will move forward in the new quarter and support the strategic goals of the portfolio. She decides to use a scoring model to rate projects against the following three criteria: profit potential, ease of use, marketability. Based on the table provided, what is the weighted score of project C?

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
<th>A score</th>
<th>B score</th>
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<tr>
<td>Weighted score</td>
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</tbody>
</table>

*5 being the highest score

A. 9
B. 8
C. 25
D. 23

Quincy and Michael are two executives of Widgets for Life, a company providing the latest cool lifestyle gadgets. As part of their annual planning process, they’ve opted to use a method that is considered to be the least precise, in combination with a scoring model. What two methods are they using?

A. Scoring model and discounted cash flows
B. Scoring model and benefit-cost ratio
C. Scoring model and payback period
D. Scoring model and net present value
141. Antwon, the director of marketing, approaches you to tell you about the latest idea he had for a new phone app that he called Project UV2. Since he was the brain behind the company’s top-selling app, you take him seriously. He notes that his idea involves enhancing the existing UV app by upgrading the back end to sit on technology that the company recently rolled out, thereby making response time faster. This is considered to be which of the following?
   A. A project
   B. Ongoing operation
   C. A secondary phase of Project UV
   D. A program

142. All of the following are processes that belong to the Project Integration Management Knowledge Area except for which one?
   A. Develop Project Management Plan
   B. Direct and Manage Project Work
   C. Identify Stakeholders
   D. Perform Integrated Change Control

143. All of the following describe a functional organizational structure except for which one?
   A. The functional manager manages the project budget.
   B. The role of project manager is part-time.
   C. A project manager has little or no authority.
   D. The role of project manager can be full-time.

144. Which of the following best defines a program?
   A. A temporary endeavor undertaken to create a unique product, service, or result
   B. Related projects, subsidiary programs, and program activities managed in a coordinated manner to obtain benefits not available from managing them individually
   C. The iterative process of increasing the level of detail in a project management plan as greater amounts of information and more accurate estimates become available
   D. The series of phases that represent the evolution of a product, from concept through delivery, growth, maturity, and to retirement

145. A project manager meets with the project sponsor for a weekly update. Company performance has been rocky, and the sponsor nervously asks what the chances are of the project coming to a successful closure. To date, the project has been on track and is nearing the end of Execution. How should the project manager respond?
   A. The likelihood of successful completion is high.
   B. The likelihood of successful completion is highest.
   C. The likelihood of successful completion is low.
   D. The likelihood of successful completion is lowest.
146. The project sponsor of a project has just met with the organization’s senior executives to provide them with a summary of the latest project that is about to kick off. He introduces Yasmin, the project manager, and commits to the room of executives that the project is bound to be a success. Who assumes responsibility for the success of the project?

A. Project sponsor
B. Senior executives
C. Project team
D. Project manager

147. Projects may come about as a result of which of the following?

A. Ideas
B. Methods to exceed stakeholder expectations
C. Motivated employees
D. Needs and demands

148. Initiating, Planning, Executing, Monitoring and Controlling, and Closing are referred to as which of the following?

A. Project Management phases
B. Project management Knowledge Areas
C. Project management process groups
D. Project Life Cycle Stages

149. Your selection committee is considering two projects. They can choose only one or the other. Project A’s expected cash inflows are $14,000. It has a payback period of 14 months, and IRR equals 4 percent. Project B expects cash inflows of $5,000 per quarter for the first 16 months, and its IRR is 2. Which project should the selection committee choose and why?

A. Project A, because its payback period is shorter than Project B’s
B. Project B, because its IRR value is less than Project A’s
C. Project B, because the payback period is shorter than Project A’s
D. Project A, because its IRR value is higher than Project B’s

150. Which of the following best describes PMI?

A. A nonprofit organization that focuses on project, program, and portfolio management
B. A for-profit organization that focuses on project, program, and portfolio management
C. The industry-recognized standard within the United States for project management practices
D. The industry-recognized standard for project management practices
A program manager working for an infectious disease nonprofit has just been assigned to a program that seeks to solve a deadly issue plaguing a third-world country. The issue involves a deadly bacteria that has entered into a major water source that branches out into multiple regions across the country. The first project will involve a feasibility study. This project came about as a result of what?

A. Strategic opportunity  
B. Environmental considerations  
C. Regulatory requirement  
D. Social need

An assumption can best be described as which of the following?

A. Actions that restrict or dictate the actions of the project team  
B. Factors expected to be in place or to be in evidence  
C. An uncertain event or condition that, if it occurs, has a positive or negative effect on one or more of the project’s objectives  
D. An immediate and temporary response to an issue

Lewis is a marketing associate reporting to Antwon, the company’s director of marketing. He pulls you aside to get your opinion about the latest project that he claims was his idea. He expresses frustration that Antwon was named sponsor of the project instead of himself. Based on the scenario presented, who is the correct project sponsor?

A. Lewis  
B. Antwon  
C. Neither  
D. Both

Sue is the head of an enterprise project management office (PMO). She delivers a presentation at the annual company meeting to describe her role’s responsibilities and the value of the PMO. As part of her presentation, Sue delivers an award to a project manager for exhibiting strength in defining critical success factors of the project, developing a project schedule, and knowing when to ask for help. What skill set is she recognizing the project manager for?

A. Communication skills  
B. Leadership skills  
C. Business management and strategic skills  
D. Technical project management skills

A project manager is in the process of developing the project charter. Almost immediately, he identifies several constraints. Where is he likely to document the constraints and maintain regular updates as they change throughout the project?

A. Project charter  
B. Business case  
C. Risk register  
D. Assumption log
156. A portfolio manager is evaluating two projects using IRR. If Project A has an IRR of 2 percent, Project B has an IRR of 5 percent, and Project C has an IRR of 4 percent, which project will the portfolio manager recommend?
   A. Project A  
   B. Project B  
   C. Project C  
   D. None

157. At what point in the project’s life cycle is the risk probability of occurrence at its highest?
   A. Initiating  
   B. Planning  
   C. Executing  
   D. Closing

158. The processes that make up the project management process groups often interact and overlap with one another and are often performed in what way?
   A. Sequentially  
   B. Singularly  
   C. Iteratively  
   D. Progressively

159. The project manager meets with the project sponsor for the first time to discuss the project. In what activity are they involved?
   A. Developing the project management plan  
   B. Identifying overall project risks  
   C. Developing the project charter  
   D. Developing the project schedule

160. Who is responsible for understanding the interests and personal agendas of stakeholders?
   A. Project sponsor  
   B. Project manager  
   C. Project team  
   D. Executive sponsor