

Exam Questions PRINCE2-Practitioner

PRINCE2 Practitioner exam

<https://www.2passeasy.com/dumps/PRINCE2-Practitioner/>



NEW QUESTION 1

- (Topic 2)

Which of the following should NOT be included in the business case?

- A. Reasons
- B. Major Risks
- C. Business options
- D. Business approach

Answer: D

NEW QUESTION 2

- (Topic 2)

Scenario

A central government department, the Ministry of Food Hygiene (MFH), faces increasing pressure to cut costs, better manage suppliers' performance and reduce the confusion caused by inadequate internal controls, outdated standards and outdated technology. External consultants were employed to conduct a feasibility study to identify options to address the problems, and the likely costs and benefits. The following options were considered:

Do nothing.

Re-engineer selected business functions. Outsource selected business functions.

The feasibility study concluded that there was a case for outsourcing the MFH Information Technology Division and the Facilities Division (maintenance of buildings and grounds). The recommendations were:

One service provider should be contracted to provide the services currently provided by the Information Technology Division and the Facilities Division.

A 10-year service contract should be agreed with the selected service provider.

The feasibility study developed high-level designs of the current organization, processes, systems and operating models, plus an outline Business Case for the required project. The external consultants also made the following recommendations for the management of the project:

Use PRINCE2.

Set up the project with 4 management stages:

Stage 1. Standard PRINCE2 initiation activities.

Stage 2. Create detailed designs (future organization, processes, systems and operating models) and the service level agreement between MFH and the future service provider.

Stage 3. Request and evaluate proposals, select service provider and agree contract. Stage 4. Transfer equipment and staff, transfer responsibility for service provision and run trial period.

Initial estimates indicated that the project would cost £2.5m and take two years to complete.

MFH senior management agreed that there was a case for outsourcing, and accepted the recommendations as a basis for the project. There is an expected saving of £20m over 10 years.

The Outsourcing project has completed the Starting up a Project process and is now in the initiation stage. Because of the strategic importance of the project, the MFH Chief Executive Officer has taken the role of Executive. A PRINCE2-experienced Project Manager has been appointed from within MFH. Staff within the business functions being outsourced will work with the external consultants who conducted the feasibility study to define the detailed designs.

Which 2 statements should be recorded under the Timescale heading?

- A. The contract with the selected service provider will be agreed during stage 3.
- B. The expected benefits will be calculated over 10 years from completion of the project.
- C. If more MFH divisions are added to the scope of the services to be outsourced, the project timescale will be extended and the realization of benefits will be delayed.
- D. The expected benefits should start to be realized as soon as the outsourced services become operational at the end of stage 4.
- E. The transfer of equipment and staff is estimated to take six weeks.

Answer: AB

NEW QUESTION 3

- (Topic 2)

Scenario

A central government department, the Ministry of Food Hygiene (MFH), faces increasing pressure to cut costs, better manage suppliers' performance and reduce the confusion caused by inadequate internal controls, outdated standards and outdated technology. External consultants were employed to conduct a feasibility study to identify options to address the problems, and the likely costs and benefits. The following options were considered:

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Which 2 statements should be recorded under the Business options heading?

- A. The re-engineering of selected business functions would not provide the required outcome.
- B. The lack of up-to-date technology in MFH means a re-engineering of existing services will not necessarily deliver the performance improvements required.
- C. Use external consultants to provide guidance on the detailed design of the outsourced services.
- D. Set up a PRINCE2 project to deliver the outsourced services.
- E. Review a list of service providers to determine a short-list of possible service providers.

Answer: CD

NEW QUESTION 4

- (Topic 2)

Scenario

A central government department, the Ministry of Food Hygiene (MFH), faces increasing pressure to cut costs, better manage suppliers' performance and reduce the confusion

caused by inadequate internal controls, outdated standards and outdated technology. External consultants were employed to conduct a feasibility study to identify options to address the problems, and the likely costs and benefits. The following options were considered:

Do nothing.

Re-engineer selected business functions. Outsource selected business functions.

The feasibility study concluded that there was a case for outsourcing the MFH Information Technology Division and the Facilities Division (maintenance of buildings and grounds). The recommendations were:

One service provider should be contracted to provide the services currently provided by the Information Technology Division and the Facilities Division.

A 10-year service contract should be agreed with the selected service provider.

The feasibility study developed high-level designs of the current organization, processes, systems and operating models, plus an outline Business Case for the required project. The external consultants also made the following recommendations for the management of the project:

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Set up the project with 4 management stages:

Stage 1. Standard PRINCE2 initiation activities.

Stage 2. Create detailed designs (future organization, processes, systems and operating models) and the service level agreement between MFH and the future service provider.

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The Outsourcing project has completed the Starting up a Project process and is now in the initiation stage. Because of the strategic importance of the project, the MFH Chief Executive Officer has taken the role of Executive. A PRINCE2-experienced Project Manager has been appointed from within MFH. Staff within the business functions being outsourced will work with the external consultants who conducted the feasibility study to define the detailed designs.

Which 2 statements should be recorded under the Reasons heading?

- A. The lack of up-to-date technology in MFH means a re-engineering of existing services will not necessarily deliver the performance improvements required.
- B. Providing re-engineered services in-house will remove the need to transfer staff to a service provider.
- C. The Ministry of Food Hygiene (MFH) needs to deal with the increasing pressure to cut costs and better manage supplier's performance.
- D. Relocating staff to the selected service provider's premises will mean that no property transfer is required.
- E. The inadequate controls, outdated standards and outdated technology must be addressed.

Answer: CD

Explanation:

<http://www.whatisprince2.net/prince2-theme-business-case.php>

NEW QUESTION 5

- (Topic 2)

Scenario

Additional Information

During the initiation stage the Project Manager met with the Marketing Director to find out more about the requirements of the promotional calendar and recorded the following notes:

There has been a reduction in the order numbers at the MNO Manufacturing due in part to the increased marketing activities of its competitors. 10% of customers have not re-ordered in this financial year and staff morale is poor. A number of skilled staff have left as a result and replacement staff have not been recruited due to the reduced operation. If the project is successful, a recruitment campaign will be required to fill the existing staff vacancies and there may be a requirement for additional staff. Operational costs are likely to increase because skilled staff are expensive and difficult to find.

In financial terms, there were a total of 1,500 orders in the last financial year, each with an average profit of £2k. The Marketing department believes that sending a promotional calendar to our current and prospective customers would increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months from the date of distribution.

The Marketing Director will be funding the project from the business marketing budget. She believes that the effect of a good company image portrayed by a successful calendar would last into a second year. She has forecast the same increase in orders for a second year and predicts that the annual employee satisfaction survey will show a measurable improvement in staff morale.

A number of alternatives were explored, including:

? 20% discount for all repeat customers - not cost-effective and very short term

? A promotional calendar as a free Christmas gift - would target current and prospective customers and the benefits would last into a second year

? A series of television and press advertisements - was too expensive

? A direct mail shot to all customers - benefit would be short term

? Creation of an internet website - would not suit all customers

The calendar is seen as the favored option, as long as the company's competitors do not increase their marketing activity. Whilst the Marketing department wants a very high quality, glossy product, the project management team must be aware of the cost this will incur.
Which 2 statements should be recorded under the Expected dis-benefits heading?

- A. A high quality, glossy product will involve additional costs.
- B. Individuals in the engineering team who are not selected to appear in the calendar photographs will become de-motivated.
- C. The calendar may not result in the expected 10% increase in orders.
- D. Because the Calendar project is a priority for the MNO Manufacturing Company, the delivery of other projects within the Marketing department will be delayed.
- E. The calendar may not result in the 10 further orders from the list of prospective customers in 12 months.

Answer: BD

NEW QUESTION 6

- (Topic 2)

Scenario

Additional Information

During the initiation stage the Project Manager met with the Marketing Director to find out more about the requirements of the promotional calendar and recorded the following notes:

There has been a reduction in the order numbers at the MNO Manufacturing due in part to the increased marketing activities of its competitors. 10% of customers have not re-ordered in this financial year and staff morale is poor. A number of skilled staff have left as a result and replacement staff have not been recruited due to the reduced operation. If the project is successful, a recruitment campaign will be required to fill the existing staff vacancies and there may be a requirement for additional staff. Operational costs are likely to increase because skilled staff are expensive and difficult to find.

In financial terms, there were a total of 1,500 orders in the last financial year, each with an average profit of £2k. The Marketing department believes that sending a promotional calendar to our current and prospective customers would increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months from the date of distribution.

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A number of alternatives were explored, including:

- ? 20% discount for all repeat customers - not cost-effective and very short term
- ? A promotional calendar as a free Christmas gift - would target current and prospective customers and the benefits would last into a second year
- ? A series of television and press advertisements- was too expensive
- ? A direct mail shot to all customers - benefit would be short term
- ? Creation of an internet website - would not suit all customers

The calendar is seen as the favored option, as long as the company's competitors do not increase their marketing activity. Whilst the Marketing department wants a very high quality, glossy product, the project management team must be aware of the cost this will incur.

Which 2 statements should be recorded under the Business options heading?

- A. Produce a promotional calendar as a free Christmas gift to current and prospective customers.
- B. Use a professional photographer to create the photographs for the calendar.
- C. Create the photographs for the calendar internally.
- D. Outsource the creation of the calendar to a professional marketing company.
- E. Do nothing.

Answer: AE

NEW QUESTION 7

- (Topic 3)

Additional Information

Further information on some resources who could be involved in the project: Outcome Account Manager: He represents Outcome which is a recruitment agency that

provides specialist outsourcing resources. Outcome provided the consultants who carried out the feasibility study and the same consultants will be providing support and guidance to the Information Technology and Facilities teams during the project.

Director of Finance Division: She was transferred from the Information Technology Division 12 months ago. She is responsible for ensuring a cost-conscious approach is adopted in all operational and project activities across the Ministry of Food Hygiene.

Hardware Manager: Reports to the Director of Information Technology. He provides computer hardware to all business functions but has little awareness of the needs of his colleagues working in software.

Payroll Manager: Reports to the Director of Finance. He is a very experienced and efficient qualified accountant who has much of the responsibility of running the Finance Division on behalf of the Director of Finance. He has been involved in drafting the Ministry's business strategy and assisting in a full business risk assessment. He also drafted the corporate Business Case standards.

Which 2 alternative actions apply to the proposed Executive for this project?

- A. Retain because he accepts that outsourcing is the best solution.
- B. Replace with 'Director of Finance Division' because she can ensure a cost-conscious approach to the project that gives value for money.
- C. Retain because he has the right level of authority to be able to control the strategic nature of the Outsourcing project.
- D. Add 'Director of Finance' because she understands the operation of the Information Technology Division and the Facilities Division.
- E. Replace with 'Payroll Manager' because he is a very experienced and efficient qualified accountant.

Answer: BC

NEW QUESTION 8

- (Topic 3)

Additional Information

Chief Executive Officer (CEO): He started the company 25 years ago and knows his job very well. He injured his leg two years ago which has restricted his visits to the engineering area. As CEO he has an overall perspective of the business strategic requirements and the authority to commit resources as required.

Marketing Director: She has been with the company for three years, following a successful career with a publicity company. She has the ability to represent the needs of the business, particularly as this is a marketing project. She has the authority to commit the annual business marketing budget, from which the project will be funded, as she sees appropriate. She will be responsible for monitoring the expected benefits of the calendar, in particular the improvement of the company's image.

Engineering Manager: He has been responsible for many engineering innovations in the company and is still as keen and energetic as the day he started. VVhilst he will not be part of the project team, his staff will feature in the photos for the promotional calendar.

Central Records: This group of five staff looks after all company records and document control. They now maintain all project files.

Bright Lights: This is the local office supplies company. It supplies all the stationery and office equipment needs of the company and will supply the stationery for this project.

Portraits Ltd: This is a professional photographic company with a number of excellent photographers and a history of successful work. This company has been selected to take the photos for the company calendar. It has yet be decided which of the photographers to use.

Which 2 statements explain why the Sales Manager should be appointed as User Assurance for this project?

- A. He joined the company last year with huge enthusiasm and is keen to increase sales.
- B. He can provide an evaluation of the potential impact the calendar will have on sales.
- C. He is able to advise on suitable stakeholder engagement of current and prospective customers.
- D. He would like to move into the Marketing department in the future and sees this as an opportunity to work closely with the Marketing Director.
- E. He can resolve any conflict in requirements between the Sales department and the Marketing department.

Answer: BC

NEW QUESTION 9

HOTSPOT - (Topic 3)

Additional Information

Chief Executive Officer (CEO): He started the company 25 years ago and knows his job very well. He injured his leg two years ago which has restricted his visits to the engineering area. As CEO he has an overall perspective of the business strategic requirements and the authority to commit resources as required.

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Portraits Ltd: This is a professional photographic company with a number of excellent photographers and a history of successful work. This company has been selected to take the photos for the company calendar. It has yet be decided which of the photographers to use.

Using the additional Information provided for this question In the Scenario Booklet, answer the following question.

Lines 1 to 5 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

NEW QUESTION 10

- (Topic 3)

In which Management product would the Project Board specify where the authority for change requests lies?

- A. Risk Management Strategy
- B. Quality Management Strategy
- C. Communication Strategy
- D. Configuration Management Strategy

Answer: D

NEW QUESTION 10

HOTSPOT - (Topic 3)

Additional Information

Further information on some resources who could be involved in the project: Outcome Account Manager: He represents Outcome which is a recruitment agency that

provides specialist outsourcing resources. Outcome provided the consultants who carried out the feasibility study and the same consultants will be providing support and guidance to the Information Technology and Facilities teams during the project.

Director of Finance Division: She was transferred from the Information Technology Division 12 months ago. She is responsible for ensuring a cost-conscious approach is adopted in all operational and project activities across the Ministry of Food Hygiene.

Hardware Manager: Reports to the Director of Information Technology. He provides computer hardware to all business functions but has little awareness of the

needs of his colleagues working in software.

Payroll Manager: Reports to the Director of Finance. He is a very experienced and efficient qualified accountant who has much of the responsibility of running the Finance Division on behalf of the Director of Finance. He has been involved in drafting the Ministry's business strategy and assisting in a full business risk assessment. He also drafted the corporate Business Case standards.

Using the Project Scenario and the additional information provided for this question in the Scenario Booklet, answer the following question about roles on the Outsourcing project.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

NEW QUESTION 15

- (Topic 3)

Additional Information

Chief Executive Officer (CEO): He started the company 25 years ago and knows his job very well. He injured his leg two years ago which has restricted his visits to the engineering area. As CEO he has an overall perspective of the business strategic requirements and the authority to commit resources as required.

Marketing Director: She has been with the company for three years, following a successful career with a publicity company. She has the ability to represent the needs of the business, particularly as this is a marketing project. She has the authority to commit the annual business marketing budget, from which the project will be funded, as she sees appropriate. She will be responsible for monitoring the expected benefits of the calendar, in particular the improvement of the company's image.

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Central Records: This group of five staff looks after all company records and document control. They now maintain all project files.

Bright Lights: This is the local office supplies company. It supplies all the stationery and office equipment needs of the company and will supply the stationery for this project.

Portraits Ltd: This is a professional photographic company with a number of excellent photographers and a history of successful work. This company has been selected to take the photos for the company calendar. It has yet to be decided which of the photographers to use.

Which 2 statements explain why the Purchasing Manager should be appointed as a Senior Supplier for this project?

- A. He is responsible for the organization's procurement activities.
- B. He is responsible for the performance of supplier contracts.
- C. He was an engineer and worked in that area before taking up his current position.
- D. He can influence the external supplier's Business Case.
- E. He is not appropriate for the role of Executive or Senior User.

Answer: AB

NEW QUESTION 19

- (Topic 4)

Additional Information Product Description

Quality notes from the Daily Log

The Director of Information Technology Division (DIT) has been asked to ensure that any changes to the outsourced staff employment contracts adhere to employment law. The DIT will review future job descriptions of the transferred staff before the final contract is signed with the selected service provider. The service level agreement between MFH and the selected service provider will specify the type and quality of service required. The selected service provider must follow the industry standards for providing outsourced services.

MFH has a quality management system which contains a document control procedure for all its documentation, however this does not include change management.

All project documents will be subject to a quality review. Nominated products will require a formal approval record signed-off by the quality review chair.

Extract from the draft Quality Management Strategy (may contain errors) Introduction

1. This document defines the approach to be taken to achieve the required quality levels during the project.
2. The Project Board will have overall responsibility for the Quality Management Strategy.
3. Project Assurance will provide assurance on the implementation of the Quality Management Strategy.

Quality management procedure - Quality standards

4. The selected service provider will operate to industry standards for providing outsourced services.
5. MFH document standards will be used.

Records

6. A Quality Register will be maintained to record the planned quality events and the actual results from the quality activities.
7. Configuration Item Records will be maintained for each product to describe its status, version and variant.
8. Approval records for products that require them will be stored in the quality database. Roles and responsibilities
9. The DIT will check that the employment contracts for outsourced staff adhere to employment law.
10. Team Managers will provide details of quality checks that have been carried out.
11. Team Managers will ensure that the Quality Register is updated with the names of team members who are involved in the review process.
12. The Senior User will review the Product Descriptions of the products to be produced by the selected service provider to ensure that they can be achieved.

Which statement applies to the Quality standards section?

- A. Delete entry 4 because external suppliers are responsible for applying any relevant standards to their work.
- B. Delete entry 5 because the lack of a change management procedure makes the MFH document standards unsuitable.
- C. Add 'All contracts must conform to current employment laws'.
- D. Add 'PRINCE2 change control procedures will be used to manage any changes to baselined products'.

Answer: C

NEW QUESTION 22

- (Topic 4)

Extract from the Project Product Description (with errors)

Which 2 statements apply to the Acceptance criteria section?

- A. Amend entry 21 to 'Appearance - 12 photos each showing different members of staff.'
- B. Move entry 21 to Composition because the photos are part of the final product.

- C. Delete entry 22 because the development of the new company logo is not within the scope of the Calendar project.
- D. Move entry 23 to Derivation because the Data Protection Act already exists.
- E. Delete entry 24 because this is NOT a suitable acceptance criteria for this project.

Answer: AC

NEW QUESTION 27

HOTSPOT - (Topic 4)

Extract from the Project Product Description (with errors)

The information in Column 1 may be entered in the Product Description for the chosen label design. Column 2 is a list of the quality headings (excluding Quality Method) in a Product Description. For each entry in Column 1 decide if it should be included in the Product Description headings shown and select the heading from Column 2 under which it should be recorded.

Drop down the right answer

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

NEW QUESTION 32

- (Topic 4)

Which principle is central to the quality theme and provides explicit understanding of what the project will create?

- A. Manage by stages
- B. Focus on products
- C. Manage by exception
- D. Learn from experience

Answer: B

NEW QUESTION 36

- (Topic 5)

PRINCE2 proposes 3 levels of Plan, which are they?

- A. Initiation, Project and Stage Plans
- B. Project, Stage and Exception Plans
- C. Initiation, Project and Benefit Review Plans
- D. Project, Stage and Team Plans

Answer: D

NEW QUESTION 37

HOTSPOT - (Topic 5)

Product Summary

A list of customers will be collated. This will use existing information from the Accounts department about current customers, and existing information from the Marketing department about prospective customers.

Using the tariff of mailing costs available from the Post Office, a production cost forecast will be produced to allow the CEO and the Marketing Director to decide whether to continue with the project. If they decide to continue, they will give the approval to launch the internal label design competition. Competition rules will be required to communicate details of the competition to the staff. The chosen label design will then be selected from the competition entries.

The photos for the calendar must be based on existing photo design ideas available from the Marketing department. The selected photos will be chosen from these. Monthly calendar displays will be created to show the required layout of each page.

Product Breakdown Structure (contains errors)

Extract from Stage Plan for stage 3.

(All entries are true statements but may not be shown under the correct heading or in the correct document).

Using the Product Summary and Product Breakdown Structure provided as additional Information for this question In the Scenario Booklet, answer the following question.

Column 1 is a list of some of the entries in the product breakdown structure. Determine whether each entry in Column 1 has been correctly shown in the product breakdown structure. Select from Column 2 the appropriate statement that correctly describes that entry. Each selection from Column 2 can be used once, more than once or not at all.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

NEW QUESTION 41

- (Topic 5)

Product Summary

A list of customers will be collated. This will use existing information from the Accounts department about current customers, and existing information from the Marketing department about prospective customers.

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Product Breakdown Structure (contains errors)

Extract from Stage Plan for stage 3.

(All entries are true statements but may not be shown under the correct heading or in the correct document).

Using the Project Scenario and the Extract from Stage Plan for stage 3 provided as additional intonation for this question in the Scenario Booklet, answer the following 5 questions.

The Stage Plan for stage 3 has been produced.

The Engineering Manager insists that there are to be no interruptions to operations whilst photographs are being taken of the engineering staff performing their everyday duties and operating machinery. Two weeks ago the professional photographer produced the photo session schedule based on the operational staff schedule. The operational staff schedule is produced weekly and maintained by the Engineering Manager.

None of the £500 change budget has been used to date and this is available for the stage. Which 2 statements apply to the Planning assumptions section?

- A. No change to entry 8 because this cannot be confirmed until all of the label designs entries have been received and an assessment made.
- B. Move entry 8 to External dependencies because the label designs are created outside of the scope of the project.
- C. Delete entry 9 because the photo session schedule should have been approved as part of stage 2.
- D. Move entry 9 to External dependencies because the photo session schedule is created by the professional photographer.
- E. Delete entry 10 because the inclusion of different members from the Engineering team in each photo should be shown in the Product Description for the photos.

Answer: AE

NEW QUESTION 42

- (Topic 5)

Who sets the tolerances for a work package?

- A. The project board
- B. The project manager
- C. The team manager
- D. Corporate or programme management

Answer: B

NEW QUESTION 46

- (Topic 6)

Scenario

A photographer from Portraits Ltd, a professional photographic company, has taken on the role of Team Manager after taking some time to understand the requirements of the project. A contract for their services has been set up and is being monitored by the Purchasing Manager and a Work Package has been agreed. This contract specifies that the photographer must arrange a meeting with the Engineering Manager to establish a schedule for the photo sessions to minimize the impact on the Engineering staff. This meeting should have occurred by now.

The Engineering Manager was made aware of this requirement but when asked he reported that he has received no communication from the photographer. The Project Manager has tried to call the photographer and has had no response. The Project Manager believes there is a risk that Portraits Ltd are overbooking work

and prioritizing other clients' work. If Portraits Ltd do not deliver on schedule the project will be delayed and the expected benefits will be reduced.

The contract is to be reviewed and Portraits Ltd reminded of their agreement.

The project is now in stage 2. The Project Manager has heard about the possibility of a competitor also producing a calendar to be delivered earlier than the target date for this project. There is a threat that the early release of a competitor's calendar may weaken the impact of the MNO Manufacturing Company calendar, thereby reducing the anticipated benefits of the Calendar project.

Which 2 statements should be recorded under the Timing of risk management activities heading?

- A. During stage 4, the selected service provider will manage any risks to their Business Case and report these to the Project Manager on a weekly basis.
- B. The Project Board should hold monthly meetings to review project progress.
- C. When closing a project, the follow-on action recommendations should be updated with any risks relating to the realization of benefits after the outsourced services go live.
- D. Any new risks identified during product development should be reported to the Project Manager by the Team Manager when delivering the completed Work Package.
- E. When authorizing a stage, the Project Board will check that the exposure to risk is still acceptable.

Answer: BE

NEW QUESTION 47

- (Topic 6)

Which of the following statements is False regarding the Risk Management Strategy?

- A. It captures and maintains all relevant information on identified threats and opportunities
- B. It documents the risk tolerances
- C. It documents the approach to risk
- D. It identifies responsibilities towards risk for the project

Answer: A

NEW QUESTION 48

- (Topic 6)

Scenario

A photographer from Portraits Ltd, a professional photographic company, has taken on the role of Team Manager after taking some time to understand the requirements of the project. A contract for their services has been set up and is being monitored by the Purchasing Manager and a Work Package has been agreed. This contract specifies that the photographer must arrange a meeting with the Engineering Manager to establish a schedule for the photo sessions to minimize the impact on the Engineering staff. This meeting should have occurred by now.

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The project is now in stage 2. The Project Manager has heard about the possibility of a competitor also producing a calendar to be delivered earlier than the target date for this project. There is a threat that the early release of a competitor's calendar may weaken the impact of the MNO Manufacturing Company calendar, thereby reducing the anticipated benefits of the Calendar project.

Which 2 statements should be recorded under the Proximity heading?

- A. Proximity categories for this project are: Imminent; Within the stage; Within the project; Beyond the project.
- B. The risk of MFH having no outsourcing experience will be categorized as Stage 4proximity.
- C. Imminent risks are those which may occur within two weeks.
- D. Any risk with a proximity category of imminent will be estimated as having a very high impact.
- E. The risk of staff leaving the organization will be categorized as beyond the project proximity.

Answer: CD

NEW QUESTION 50

HOTSPOT - (Topic 6)

Additional Information

A photographer from Portraits Ltd, a professional photographic company, has taken on the role of Team Manager after taking some time to understand the requirements of the project. A contract for their services has been set up and is being monitored by the Purchasing Manager and a Work Package has been agreed. This contract specifies that the photographer must arrange a meeting with the Engineering Manager to establish a schedule for the photo sessions to minimize the impact on the Engineering staff. This meeting should have occurred by now.

The Engineering Manager was made aware of this requirement but when asked he reported that he has received no communication from the photographer. The Project Manager has tried to call the photographer and has had no response. The Project Manager believes there is a risk that Portraits Ltd are overbooking work and prioritizing other clients' work. If Portraits Ltd do not deliver on schedule the project will be delayed and the expected benefits will be reduced.

The contract is to be reviewed and Portraits Ltd reminded of their agreement.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

NEW QUESTION 51

- (Topic 6)

Who is responsible for reviewing the risk management practices to ensure they are in line with the project's risk management strategy?

- A. Project Support
- B. Project Manager
- C. Team Manager
- D. Project Assurance

Answer: D

NEW QUESTION 55

- (Topic 6)

Which of the following risk responses can be used for either an opportunity or a threat?

- A. Reduce
- B. Share
- C. Reject
- D. Enhance

Answer: B

NEW QUESTION 59

- (Topic 6)

Scenario

A photographer from Portraits Ltd, a professional photographic company, has taken on the role of Team Manager after taking some time to understand the requirements of the project. A contract for their services has been set up and is being monitored by the Purchasing Manager and a Work Package has been agreed. This contract specifies that the photographer must arrange a meeting with the Engineering Manager to establish a schedule for the photo sessions to minimize the impact on the Engineering staff. This meeting should have occurred by now.

The Engineering Manager was made aware of this requirement but when asked he reported that he has received no communication from the photographer. The Project Manager has tried to call the photographer and has had no response. The Project Manager believes there is a risk that Portraits Ltd are overbooking work and prioritizing other clients' work. If Portraits Ltd do not deliver on schedule the project will be delayed and the expected benefits will be reduced.

The contract is to be reviewed and Portraits Ltd reminded of their agreement.

The project is now in stage 2. The Project Manager has heard about the possibility of a competitor also producing a calendar to be delivered earlier than the target date for this project. There is a threat that the early release of a competitor's calendar may weaken the impact of the MNO Manufacturing Company calendar, thereby reducing the anticipated benefits of the Calendar project.

Which 2 statements should be recorded under the Risk tolerance heading?

- A. Corporate management's threshold level of risk exposure is any combination of high and very high impact and probability.
- B. The Project Board's threshold level of risk exposure is any combination of medium, high and very high impact, with high and very high probability.
- C. The Project Manager's threshold level of risk exposure is low impact and probability.
- D. The cost of all fallback plans must be contained within the project's tolerance.
- E. The risk budget will have a tolerance of +/- 10%.

Answer: BD

NEW QUESTION 63

- (Topic 7)

Scenario:

The Ministry of Food Hygiene (MFH) has a quality management system which contains a document control process to manage all documentation requirements. The document control process was created by the MFH Quality Manager, who now maintains all of MFH's documents and performs an organization-wide configuration management role. The MFH Quality Manager will administer the configuration management procedure for the Restructuring project since this must comply with the MFH document control process. What additional risk will this place on the project?

- A. None because risks associated with the centralization and rationalization of the Facilities Division will be managed by another project.
- B. These changes will delay stage 3 by three weeks.
- C. There is only £70k left in the project change budget.
- D. The reduced value of the contracted services required by the Outsourcing project may result in an insufficient number of proposals being received.

Answer: A

NEW QUESTION 66

- (Topic 7)

Who would be responsible for maintaining the Configuration Item Records?

- A. Project Manager
- B. Project Support
- C. Project Assurance
- D. Team Manager

Answer: B

NEW QUESTION 69

- (Topic 7)

Which of the following is the definition for an off-specification?

- A. An issue the Project Manager needs to resolve or escalate
- B. Something forecast or currently not meeting specification
- C. A proposal for a change to a baseline
- D. A statement of concern

Answer: B

NEW QUESTION 73

- (Topic 7)

Scenario:

The Ministry of Food Hygiene (MFH) has a quality management system which contains a document control process to manage all documentation requirements. The document control process was created by the MFH Quality Manager, who now maintains all of MFH's documents and performs an organization-wide configuration management role. The MFH Quality Manager will administer the configuration management procedure for the Restructuring project since this must comply with the MFH document control process.

According to PRINCE2, which statement about the Configuration Management Strategy for the Outsourcing project is correct?

- A. Every project needs a Configuration Management Strategy, even if the organization has existing configuration management standards, because every project has different circumstances.
- B. A separate Configuration Management Strategy will be required for each of the suppliers within this project because each will have a different way of managing and storing products.
- C. A Configuration Management Strategy is unnecessary for this project because the MFH document control process is documente
- D. It is acceptable simply to reference this in the Quality Management Strategy.

Answer: A

NEW QUESTION 74

- (Topic 7)

In which strategy would the change control process be recorded?

- A. Quality Management Strategy
- B. Configuration Management Strategy
- C. Risk Management Strategy
- D. Communication Management Strategy

Answer: B

NEW QUESTION 78

- (Topic 8)

During which process would the stage tolerances be set?

- A. Controlling a Stage
- B. Initiating a Project
- C. Managing a Stage Boundary
- D. Directing a Project

Answer: D

NEW QUESTION 81

- (Topic 8)

Project Scenario

Calendar Project (Note: The companies and people within the scenario are fictional.)

There has been a reduction in the number of orders at the MNO Manufacturing Company due in part to the increased marketing activities of its competitors. To help counter this, the company has decided to create a promotional calendar for next year for all its current and prospective customers. The end product of this project will be a prepared calendar pack, ready for printing. The design of the calendar will be similar to one sent out previously, and must reflect the company image as described in the existing corporate branding standards. Another project is currently producing a new company logo when it is to be printed on each page of the promotional calendar. The prepared calendar pack will consist of:

? Design for each month - correctly showing at public holidays and new company logo

? Selected photographs- 12 professionally-produced photographs, showing different members of staff

? Selected paper and selected envelope - for printing and mailing the calendar

? Chosen label design - a competition to design a label will be held as part of this project

? List of customers - names and addresses of customers to whom the calendar will be sent.

The project is currently in initiation and will have two further stages:

Stage 2 will include the activities to:

? Create the customer list using information from the Accounts and Marketing departments

? Confirm compliance with the Data Protection Legislation

? Create a design for each month - this will be done by the internal creative team

? Select and appoint a professional photographer

? Gather photograph design ideas from previous project and agree photographic session schedule

? Prepare a production cost forecast

? Select paper and envelope.

Stage 3 will include the activities to:

? Produce and select the professionally-taken photographs

? Hold the label design competition and choose the label design

? Assemble the prepared calendar pack.

A production cost forecast, based on the options and costs for the paper, envelope, printing and marketing of the calendar is to be produced in stage 2. However, the actual production and distribution of the calendars is not within the scope of the project. The product cost forecast will be reviewed by the Project Board to determine whether the project should continue.

It is now 05 October and the prepared calendar pack must be delivered to the print company by 30 November, to enable printing and distribution of the calendar in time for Christmas. The cost of the activities to develop the specialist products and the cost of the project management activities are estimated to be £20,000.

There is a project time tolerance of +1 week /-2 weeks and a project cost tolerance of +£6,000 / -£6,000. A change budget of £500 has been allocated but there is no risk budget.

During stage 2, if the Project Manager decides to recommend that the Project Plan is revised to finish three weeks later, which statement is correct?

- A. The tolerances stated in the Project Plan CANNOT be changed.
- B. The Executive needs to seek formal approval from corporate management to implement this change.
- C. The current project must close prematurely and be restarted with a new Project Plan, a new Business Case and new Risk Register.
- D. The revision of the Project Plan would have to wait until the end stage assessment of stage 2.

Answer: B

NEW QUESTION 83

- (Topic 8)

Which of the following is not a factor to consider when determining the length of a stage?

- A. The amount of resources available in the short term
- B. How far ahead you can sensibly plan in detail
- C. The technical stages within the project
- D. The amount of risk associated with the project

Answer: A

NEW QUESTION 87

- (Topic 9)

While capturing previous lessons, the Project Manager discovered several interesting facts about outsourcing.

Which fact is an appropriate lesson for the Outsourcing project?

- A. Outsourcing is a growth industry and is being implemented by many private sector organizations.
- B. Four other government departments are also considering outsourcing some of their business functions next year.
- C. Contracts with service providers should include the timescale within which readiness for service is expected following the transfer of equipment and staff.

Answer: C

NEW QUESTION 90

- (Topic 9)

While planning the initiation stage, the Project Manager reviewed some threats that had been recorded in the Daily Log.

Which threat should have been assessed for possible risk responses to be included in the Initiation Stage Plan?

- A. MFH has no experience in outsourcing and this may affect understanding of what is required, resulting in inadequate plans and strategies.
- B. The Project Brief is a complex document and may not be approved by the Executive.
- C. There is a shortage of service providers so there is a possibility that no suitable service providers respond to the request for proposal
- D. This would prevent the Outsourcing project from proceeding.

Answer: C

NEW QUESTION 93

- (Topic 9)

While preparing the Risk Management Strategy, the Project Manager considered the commercial customer/supplier environment and how this may affect the management of risk. Which approach should the Outsourcing project adopt?

- A. Plan to use the selected service provider's risk management procedures.
- B. All project risks associated with the specialist deliverables should be owned by the selected service provider.
- C. Due to the sensitive nature of this project, consideration should be given to creating a separate Risk Register to be held by MFH and the selected supplier.

Answer: C

NEW QUESTION 94

- (Topic 10)

Which management product do the Project Board use to decide whether to authorize initiation?

- A. Project Brief
- B. Business Case
- C. Project Initiation Documentation
- D. Project Product Description

Answer: A

NEW QUESTION 98

HOTSPOT - (Topic 11)

The Calendar project was delivered as originally planned, and is now preparing for planned closure.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

NEW QUESTION 99

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