

PRINCE2-Exams

Exam Questions PRINCE2-Practitioner

PRINCE2 Practitioner exam



NEW QUESTION 1

- (Exam Topic 1)

Project Scenario – Health and Safety Training Project:

ABC Company is a well-established training company that uses a standard model to develop training materials and deliver courses to customers.

ABC Company has commissioned a project in response to recent changes in government legislation relating to health and safety on construction sites. The project will deliver “capability to provide health and safety training”, including the materials needed for classroom-based training and e-learning. The expected benefits for construction companies include a reduction in lost days and legal costs due to accidents.

The e-learning course will be developed by a specialist external consultancy. The materials for

classroom-based training will be delivered by ABC Company’s development team. All course materials will

be piloted before they are used. ABC Company will deliver training to its customers and also hopes to sell the course materials to other training companies as part of their operational business. ABC Company will use their own sales and marketing departments to promote the courses.

The legislation requires construction companies to comply with the new legislation within two years. The course materials and trainers have to be accredited by a government agency before courses can be delivered. ABC Company is planning to deliver pilot courses within five months of starting the project.

The ABC Company standard development model for new courses recommends the following stages:

Stage 1	Initiation stage
Stage 2	Classroom-based training materials Marketing materials Training venue specifications Accredited classroom-based course
Stage 3	E-learning course Amended course booking procedures Marketed courses Planned pilot courses Updated corporate quality procedures Accredited e-learning course Accredited trainers
Stage 4	Delivered pilot courses Finalized materials Project product: Capability to provide health and safety training

End of the Project scenario. Additional Information:

The Chief Executive Officer (CEO) founded the company five years ago. Under her leadership, ABC Company has grown quickly into a successful training company. It delivers a range of accredited professional training.

The Finance Director is also a founder member of ABC Company and is responsible for authorizing budgets for the Operations and Development Teams. She authorizes all large contracts personally.

The Purchasing Manager reports to the Finance Director and is responsible for managing and monitoring supplier contracts.

The Operations Director is responsible for the delivery of all training and for the training development budget. His department organizes courses, venues and trainers. They work with the Product and the Sales teams to provide a comprehensive training schedule. ABC Company’s IT manager reports to the Operations Director.

The Business Development Director has recently been appointed to identify new training needs and propose new products. She will work with the Operations Director to ensure a cost-conscious approach and that appropriate development technologies are used for the health and safety course.

The Training Development Manager reports to the Business Development Director and is responsible for developing training materials and gaining accreditation, in accordance with the standard course development model. Course developers in his team have skills in a range of development technologies and are allocated to projects as needed.

The Training Delivery Manager, who reports to the Operations Director, is responsible for ensuring that internal and external trainers deliver ABC Company training courses to the required standard. He also checks course materials to ensure they are fit for purpose and of the required quality.

The Central Services Director has responsibility for corporate communications, facilities management and configuration management. He recently led a project to consolidate all company quality systems into one quality management system and set up a corporate quality department, now managed by the Corporate Quality Manager.

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The Sales Director joined ABC Company two months ago and is keen to establish himself by suggesting new markets for the courses and material. All account managers and the marketing team report to him. They promote existing training courses to other training companies and existing customers.

End of the additional information.

ABC Company uses a standard development model to develop courses and uses PRINCE2 to manage these projects. The objectives from the Health and Safety Training Project have been documented in the business plan of ABC Company. This business plan has triggered this project. As a result, to save time, the executive has decided to simplify the ‘starting up a project’ process. The project mandate will be adapted and becomes the project brief.

Is this appropriate, and why?

- A. Yes, because the business outcomes are clear, the project brief can be a sample statement elaborating the mandate.
- B. Yes, because the executive can initiate the project based on the project mandate by passing the ‘starting up a project’ process.
- C. No, because the project brief should be a statement which includes a fuller description of the project.
- D. No, because capturing lessons from previous projects identify lessons to be applied to this project.

Answer: C

NEW QUESTION 2

- (Exam Topic 1)

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use their own sales and marketing departments to promote the courses.

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End of the additional information.

The executive has set the following tolerances for stage 2: Time (+/- 1 week)

Cost (+/- £20,000)

Scope (using MoSCoW prioritization technique)

Risk (based on the risk appetite defined in the risk management approach)

These tolerances have been recorded in the stage plan. The project manager will report progress regularly via highlight reports to the project board and use exception reports to raise exceptions. In addition, the project assurance role will monitor the stage to provide confidence to the project board that exceptions are being reported.

How well does this apply the 'manage by exception' principle, and why?

- A. It applies the principle well, because tolerances should be set for the related aspects of project performance for each stage.
- B. It applies the principle well, because the project manager needs to control the project using discrete management stages.
- C. It applies the principle poorly, because tolerances should be set for each stage against each of the six aspects of project performance.
- D. It applies the principle poorly, because it is the regular reporting of progress that should give the project board the required confidence.

Answer: C

NEW QUESTION 3

- (Exam Topic 1)

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End of the additional information. DIRECTING A PROJECT

Here are three actions that are carried out as part of the 'directing a project' process. During which activity (A-E) should they be carried out?

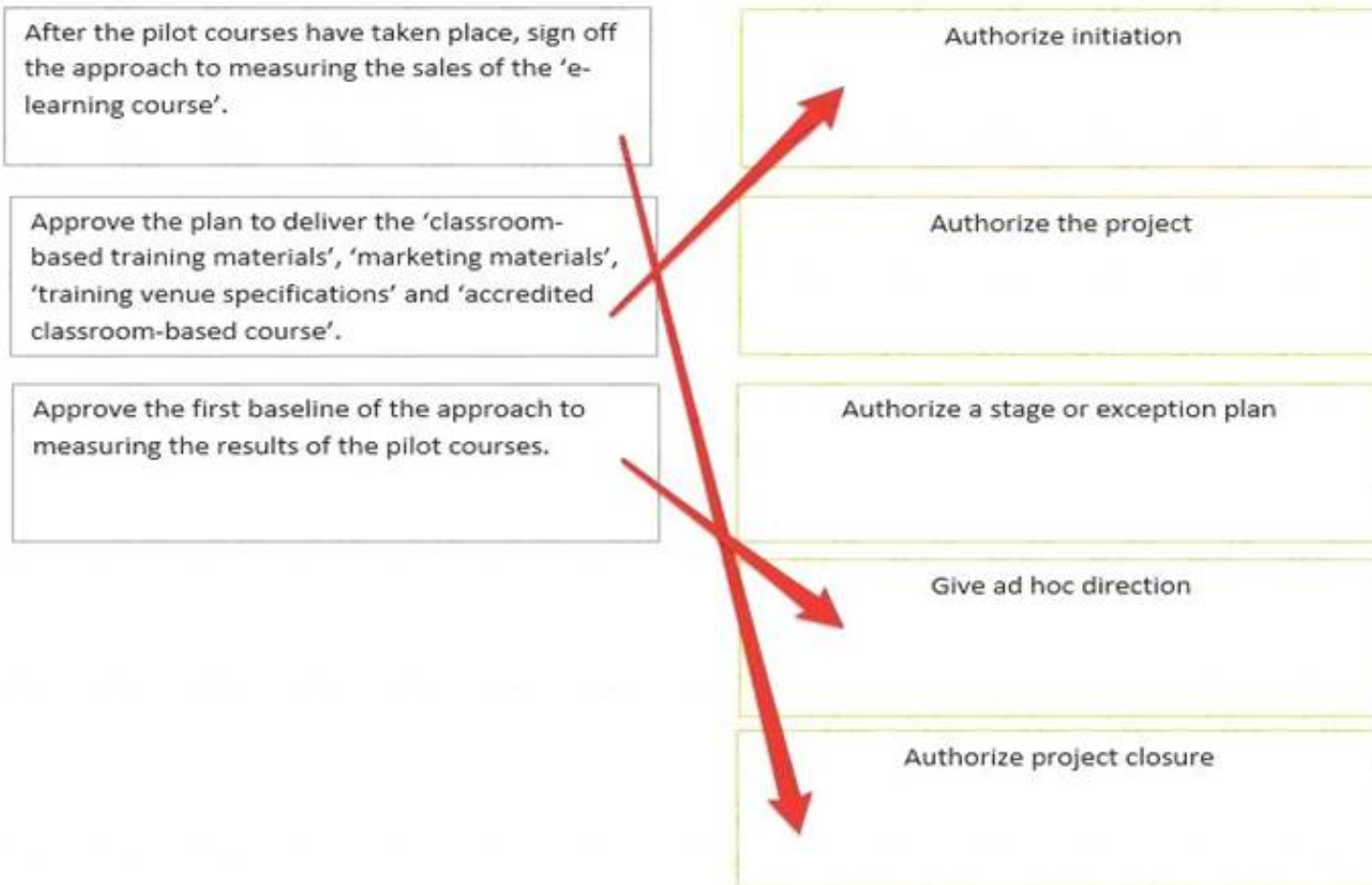
Choose only one activity for each action. Each activity can be used once, more than once, or not at all.

Authorize initiation	After the pilot courses have taken place, sign off the approach to measuring the sales of the 'e-learning course'.
Authorize the project	Approve the plan to deliver the 'classroom-based training materials', 'marketing materials', 'training venue specifications' and 'accredited classroom-based course'.
Authorize a stage or exception plan	Approve the first baseline of the approach to measuring the results of the pilot courses.
Give ad hoc direction	
Authorize project closure	

- A. Mastered
B. Not Mastered

Answer: A

Explanation:



NEW QUESTION 4

- (Exam Topic 1)

Project Scenario – Health and Safety Training Project:

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End of the additional information.

During stage 4, a work package was authorized for the 'delivered pilot courses' to be completed by the end of week 2. The 'finalized materials' work package will start in week 3. Both work packages have zero tolerances, and finalizing the materials is dependent on feedback from the pilot courses.

During week 1, there were some problems with the pilot courses, so at the start of week 2 the team manager rescheduled the courses to week 3, and reported this in the weekly checkpoint report as the end of week 2.

Should the team manager have reported this delay previously as an issue, and why?

- A. Yes, because the work package to deliver the pilot courses was forecast to exceed its time tolerance.
- B. Yes, because a team manager should not change the scheduled order of a work package.
- C. No, because the checkpoint report for week 1 should include information on any issues that occurred.
- D. No, because the feedback from the rescheduled courses can be used in week 4 to finalize the materials.

Answer: C

NEW QUESTION 5

- (Exam Topic 1)

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End of the additional information.

The executive identified that there would be a benefit to the construction companies as their working time lost due to accidents would be reduced. This was included as a benefit to ABC Company in the business case for the Health and Safety Training Project.

Is this appropriate, and why?

- A. Yes, because the benefits to the customer are an essential part of business justification for a project.

- B. Yes, because both tangible and intangible benefits should be included in the business case.
 C. No, because ABC Company will not achieve their benefits if construction companies do not book the courses.
 D. No, because it is the customer's benefits that should be used to justify the project business case.

Answer: A

NEW QUESTION 6

- (Exam Topic 1)

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End of the additional information. PLANS

Here are three events to managing plans for the project.

In which management product (A-E) should the result of each event be recorded?

Choose only one product for each event. Each product can be used once, more than once or not at all.

Project plan	The project manager instructs the team manager to take corrective action, which will keep costs within the overall project and stage tolerances.
Stage plan	The operations Director tells the project manager during stage 3, that 50% of the Learn-it trainers have been accredited. The remainder will be accredited within the agreed tolerances.
Team plan	The project manager is instructed to produce a replacement plan to the current stage, to be presented to the project board at a meeting the following week.
Exception plan	
Work package	
Project product description	

- A. Mastered
 B. Not Mastered

Answer: A

Explanation:

The project manager instructs the team manager to take corrective action, which will keep costs within the overall project and stage tolerances.	Project plan
The operations Director tells the project manager during stage 3, that 50% of the Learn-it trainers have been accredited. The remainder will be accredited within the agreed tolerances.	Stage plan
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NEW QUESTION 7

- (Exam Topic 1)

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End of the additional information.

The project board has asked for highlight reports every six weeks during stage 3. As a result, the project manager has asked each team manager for checkpoint reports every six weeks, in order to collate these into the highlight report. The team manager for the 'marketed courses' is new to team management.

Is this an appropriate action as part of the 'controlling a stage' process, and why?

- A. Yes, because the project board will need to be updated with the progress of every team.
- B. Yes, because checkpoint reports are a time-driven control providing progress information.
- C. No, because the frequency of reporting should reflect the level of control required for the work package.
- D. No, because the project board should decide on the frequency and content of progress reporting.

Answer: B

NEW QUESTION 8

- (Exam Topic 1)

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teams to provide a comprehensive training schedule. ABC Company's IT manager reports to the Operations Director.

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The Training Development Manager reports to the Business Development Director and is responsible for developing training materials and gaining accreditation, in accordance with the standard course development model. Course developers in his team have skills in a range of development technologies and are allocated to projects as needed.

The Training Delivery Manager, who reports to the Operations Director, is responsible for ensuring that internal and external trainers deliver ABC Company training courses to the required standard. He also checks course materials to ensure they are fit for purpose and of the required quality.

The Central Services Director has responsibility for corporate communications, facilities management and configuration management. He recently led a project to consolidate all company quality systems into one quality management system and set up a corporate quality department, now managed by the Corporate Quality Manager.

The Corporate Document Manager reports to the Central Services Director. She helped establish the company's document management system and now operates it across the business. She manages a team of administrators and contracts staff when workload is high.

The Sales Director joined ABC Company two months ago and is keen to establish himself by suggesting new markets for the courses and material. All account managers and the marketing team report to him. They promote existing training courses to other training companies and existing customers.

End of the additional information.

ABC Company has decided to include the Health and Safety Training Project in a programme to support their strategy to deliver globally. The programme team has provided the detailed business justification and, as a result, the project board has decided that the business case will not need refining further during the 'initiating a project' process.

Is this an appropriate action for the project board, and why?

- A. Yes, because the project board are able to use the business case provided by the programme.
- B. Yes, because when the project is part of a programme, the programme team provides the business case.
- C. No, because the programme team cannot constrain the project manager's choices.
- D. No, because each project in the programme will need a revised business case.

Answer: A

NEW QUESTION 9

- (Exam Topic 1)

Project Scenario – Health and Safety Training Project:

ABC Company is a well-established training company that uses a standard model to develop training materials and deliver courses to customers.

ABC Company has commissioned a project in response to recent changes in government legislation relating to health and safety on construction sites. The project will deliver "capability to provide health and safety training", including the materials needed for classroom-based training and e-learning. The expected benefits for construction companies include a reduction in lost days and legal costs due to accidents.

The e-learning course will be developed by a specialist external consultancy. The materials for classroom-based training will be delivered by ABC Company's development team. All course materials will be piloted before they are used. ABC Company will deliver training to its customers and also hopes to sell the course materials to other training companies as part of their operational business. ABC Company will use their own sales and marketing departments to promote the courses.

The legislation requires construction companies to comply with the new legislation within two years. The course materials and trainers have to be accredited by a government agency before courses can be delivered. ABC Company is planning to deliver pilot courses within five months of starting the project.

The ABC Company standard development model for new courses recommends the following stages:

Stage 1	Initiation stage
Stage 2	Classroom-based training materials Marketing materials Training venue specifications Accredited classroom-based course
Stage 3	E-learning course Amended course booking procedures Marketed courses Planned pilot courses Updated corporate quality procedures Accredited e-learning course Accredited trainers
Stage 4	Delivered pilot courses Finalized materials Project product: Capability to provide health and safety training

End of the Project scenario. Additional Information:

The Chief Executive Officer (CEO) founded the company five years ago. Under her leadership, ABC Company has grown quickly into a successful training company. It delivers a range of accredited professional training.

The Finance Director is also a founder member of ABC Company and is responsible for authorizing budgets for the Operations and Development Teams. She authorizes all large contracts personally.

The Purchasing Manager reports to the Finance Director and is responsible for managing and monitoring supplier contracts.

The Operations Director is responsible for the delivery of all training and for the training development budget. His department organizes courses, venues and trainers. They work with the Product and the Sales teams to provide a comprehensive training schedule. ABC Company's IT manager reports to the Operations Director.

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The Sales Director joined ABC Company two months ago and is keen to establish himself by suggesting new markets for the courses and material. All account managers and the marketing team report to him. They promote existing training courses to other training companies and existing customers.

End of the additional information.

The Health and Safety Training Project is closing as planned. According to the contract terms, suppliers must submit all invoices within one week of project closure. The project manager will issue a project closure notification informing all suppliers of this invoicing deadline as part of the 'recommended project closure' activity.

Is this appropriate, and why?

- A. Yes, because the project board should approve the project closure notification drafted by the project manager.
- B. Yes, because a project closure notification should be sent to suppliers as part of the 'closing project' process.
- C. No, because the project board should issue a project closure notification as part of the 'directing a project' process.
- D. No, because the project manager should notify stakeholders using the approved project closure notification.

Answer: B

NEW QUESTION 10

- (Exam Topic 1)

Project Scenario – Health and Safety Training Project:

ABC Company is a well-established training company that uses a standard model to develop training materials and deliver courses to customers.

ABC Company has commissioned a project in response to recent changes in government legislation relating to health and safety on construction sites. The project will deliver "capability to provide health and safety training", including the materials needed for classroom-based training and e-learning. The expected benefits for construction companies include a reduction in lost days and legal costs due to accidents.

The e-learning course will be developed by a specialist external consultancy. The materials for classroom-based training will be delivered by ABC Company's development team. All course materials will be piloted before they are used. ABC Company will deliver training to its customers and also hopes to sell the course materials to other training companies as part of their operational business. ABC Company will use their own sales and marketing departments to promote the courses.

The legislation requires construction companies to comply with the new legislation within two years. The course materials and trainers have to be accredited by a government agency before courses can be delivered. ABC Company is planning to deliver pilot courses within five months of starting the project.

The ABC Company standard development model for new courses recommends the following stages:

Stage 1	Initiation stage
Stage 2	Classroom-based training materials Marketing materials Training venue specifications Accredited classroom-based course
Stage 3	E-learning course Amended course booking procedures Marketed courses Planned pilot courses Updated corporate quality procedures Accredited e-learning course Accredited trainers
Stage 4	Delivered pilot courses Finalized materials Project product: Capability to provide health and safety training

End of the Project scenario. Additional Information:

The Chief Executive Officer (CEO) founded the company five years ago. Under her leadership, ABC Company has grown quickly into a successful training company. It delivers a range of accredited professional training.

The Finance Director is also a founder member of ABC Company and is responsible for authorizing budgets for the Operations and Development Teams. She authorizes all large contracts personally.

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The Sales Director joined ABC Company two months ago and is keen to establish himself by suggesting new markets for the courses and material. All account managers and the marketing team report to him. They promote existing training courses to other training companies and existing customers.

End of the additional information.

All the products that are due in stage 3 have been completed, apart from the 'updated corporate quality procedures'. The work has been completed but the product has not yet been approved. The executive has been told that it will be signed off before the end of the project. In response to an exception report, the executive has instructed the project manager to plan to obtain approval of the product in stage 4.

Is this appropriate application of the report management stage end' activity, and why?

- A. Yes, because approval of the product can be carried forward into the next stage, with authority from the project board.
- B. Yes, because the completion of the product in the next stage is a follow-on action recommendation for stage 4.
- C. No, because approval of the products was planned for stage 3 and must be completed before the stage ends.
- D. No, because a project-level exception plan is required before approval of the quality procedures can be delayed.

Answer: A

NEW QUESTION 10

- (Exam Topic 1)

Project Scenario – Health and Safety Training Project:

ABC Company is a well-established training company that uses a standard model to develop training materials and deliver courses to customers.

ABC Company has commissioned a project in response to recent changes in government legislation relating to health and safety on construction sites. The project will deliver "capability to provide health and safety training", including the materials needed for classroom-based training and e-learning. The expected benefits for construction companies include a reduction in lost days and legal costs due to accidents.

The e-learning course will be developed by a specialist external consultancy. The materials for

classroom-based training will be delivered by ABC Company's development team. All course materials will be piloted before they are used. ABC Company will deliver training to its customers and also hopes to sell the course materials to other training companies as part of their operational business. ABC Company will use their own sales and marketing departments to promote the courses.

The legislation requires construction companies to comply with the new legislation within two years. The course materials and trainers have to be accredited by a government agency before courses can be delivered. ABC Company is planning to deliver pilot courses within five months of starting the project.

The ABC Company standard development model for new courses recommends the following stages:

Stage 1	Initiation stage
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Stage 4	Delivered pilot courses Finalized materials Project product: Capability to provide health and safety training

End of the Project scenario. Additional Information:

The Chief Executive Officer (CEO) founded the company five years ago. Under her leadership, ABC Company has grown quickly into a successful training company. It delivers a range of accredited professional training.

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The Sales Director joined ABC Company two months ago and is keen to establish himself by suggesting new markets for the courses and material. All account managers and the marketing team report to him. They promote existing training courses to other training companies and existing customers.

End of the additional information.

Towards the end of stage 2, the stage 3 plan is being prepared. This includes the work required to promote the new courses to other training companies. In addition to the current ways of marketing the courses, the Sales Director wants to advertise in trade magazines. The likely costs involved and the opportunities it may bring have been identified.

As part of the 'update the project plan' activity, what should the project manager be responsible for?

- A. Creating time and cost tolerances for the delivery of the magazine advertisements.
- B. Creating the product description, with detailed quality criteria, for the magazine advertisements.
- C. Recording the effect of implementing the magazine advertisements on the overall time and cost of the project.
- D. Recording changes to ABC Company risk appetite as a result of using the magazine advertisements.

Answer: A

NEW QUESTION 13

- (Exam Topic 1)

Project Scenario – Health and Safety Training Project:

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End of the Project scenario. Additional Information:

The Chief Executive Officer (CEO) founded the company five years ago. Under her leadership, ABC Company has grown quickly into a successful training company. It delivers a range of accredited professional training.

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End of the additional information. QUALITY

Teams have been set up to develop different parts of the 'classroom-based training materials'. Here are three activities related to managing quality.

Which role (A-F) should carry them out?

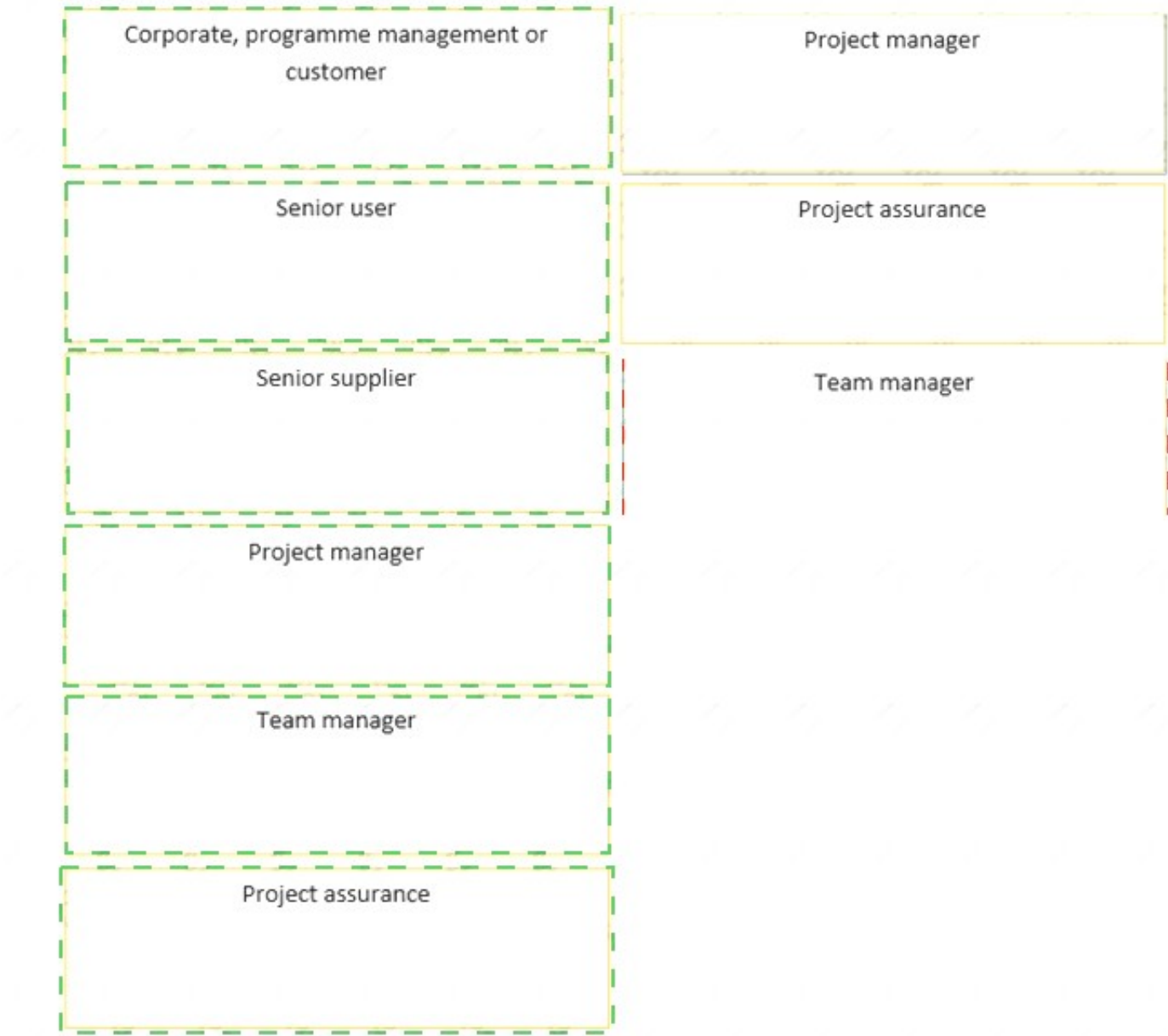
Choose only one for each activity. Each role can be used once, more than once, or not at all.

Corporate, programme management or customer	When a completed work package is received, check the quality register to see that the quality methods specified in the work package have been implemented.
Senior user	Provide confidence that the accreditation of trainers will not be delayed by a failure to follow the quality procedures that have been agreed with the Training Delivery Manager.
Senior supplier	Sign off the quality criteria for the 'classroom-based training materials'
Project manager	
Team manager	
Project assurance	

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:



NEW QUESTION 15

- (Exam 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 16

- (Exam Topic 2)

Which of the following activities is the Executive responsible for?

- A. Ensure the desired outcome of the project is specified
- B. Responsible for the benefits review plan
- C. Assess and update the Business Case at the end of each stage
- D. Responsible for the Benefits Review Plan post project

Answer: B

NEW QUESTION 20

- (Exam 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 25

- (Exam 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.

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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.

	Assertion		Reason	
1	The selected service provider should have their own Business Case for the work they are doing on the Outsourcing project.	True-False A	All project costs, including the cost of work carried out by external suppliers on the project should be included in the customer's Business Case.	True-False
2	The cost of managing the outsourcing contract should be included in the Business Case.	True-False B	The information in the Business Case is used to compare the development, maintenance and operational costs with the value of the benefits over a period of time.	True-False
3	The Business options section of the Business Case will need to be updated if the industry standards for outsourcing. are changed.	True-False C	The Business options section of the Business Case describes options that have been considered to address the business problem.	True-False
4	Any expected benefit from increasing staff flexibility should be included in the Business Case.	True-False D	The Business Case should list each benefit that it is claimed would be achieved by the project's outcome.	True-False
5	The End Project Report should identify whether the expected savings of £2 over 10 years have been achieved.	True-False E	All benefits in the Business Case should be achieved before a project is closed.	True-False
6	The Project Board should ensure that the Benefits Review Plan includes the mechanisms for measuring all the claimed benefits of outsourcing.	True-False F	The Benefits Review Plan is created in the initiation stage.	True-False

- A. Mastered
 B. Not Mastered

Answer: A

Explanation:

	Assertion		Reason	
1	The selected service provider should have their own Business Case for the work they are doing on the Outsourcing project.	True -False	All project costs, including the cost of work carried out by external suppliers on the project should be included in the customer's Business Case.	True- False
2	The cost of managing the outsourcing contract should be included in the Business Case.	True- False	The information in the Business Case is used to compare the development, maintenance and operational costs with the value of the benefits over a period of time.	True- False
3	The Business options section of the Business Case will need to be updated if the industry standards for outsourcing. are changed.	True -False	The Business options section of the Business Case describes options that have been considered to address the business problem.	True- False
4	Any expected benefit from increasing staff flexibility should be included in the Business Case.	True- False	The Business Case should list each benefit that it is claimed would be achieved by the project's outcome.	True -False
5	The End Project Report should identify whether the expected savings of £2 over 10 years have been achieved.	True -False	All benefits in the Business Case should be achieved before a project is closed.	True- False
6	The Project Board should ensure that the Benefits Review Plan includes the mechanisms for measuring all the claimed benefits of outsourcing.	True -False	The Benefits Review Plan is created in the initiation stage.	True- False

NEW QUESTION 26
 - (Exam Topic 2)

Who is responsible for ensuring that the value-for-money solution is constantly reassessed?

- A. Business Assurance
- B. Senior User
- C. Corporate or Programme Management
- D. Reject Support

Answer: A

NEW QUESTION 31

- (Exam 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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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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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 Expected benefits heading?

- A. The 10-year outsourcing contract, at current prices, will be worth £80m.
- B. Outsourcing would allow MFH to take advantage of the best services the outsourcing industry has to offer.
- C. The total expected savings over 10 years, at current prices, is £20m.
- D. The 10-year outsourcing contract will enable MFH to stabilize costs at agreed levels.
- E. The confirmed cost of the Outsourcing project is £2.5m, but with considerable savings over 10 years.

Answer: CD

NEW QUESTION 33

- (Exam Topic 2)

Which of the following statements is TRUE with regard to expected benefits?

- A. They cannot be assigned
- B. They don't need to follow corporate objectives
- C. They should be measurable
- D. Tolerances cannot be set against expected benefits

Answer: C

NEW QUESTION 34

- (Exam Topic 3)

Scenario

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. Whilst 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 been decided which of the photographers to use.

Which 2 statements explain why the Marketing Director should be appointed as a Senior User for this project?

- A. She can represent the Marketing department.
- B. She previously had a successful career in publicity.
- C. The Marketing department will help to deliver the benefits of this project.
- D. The project will be funded from the business marketing budget.
- E. A number of the products will be produced by the Sales department and the Marketing department.

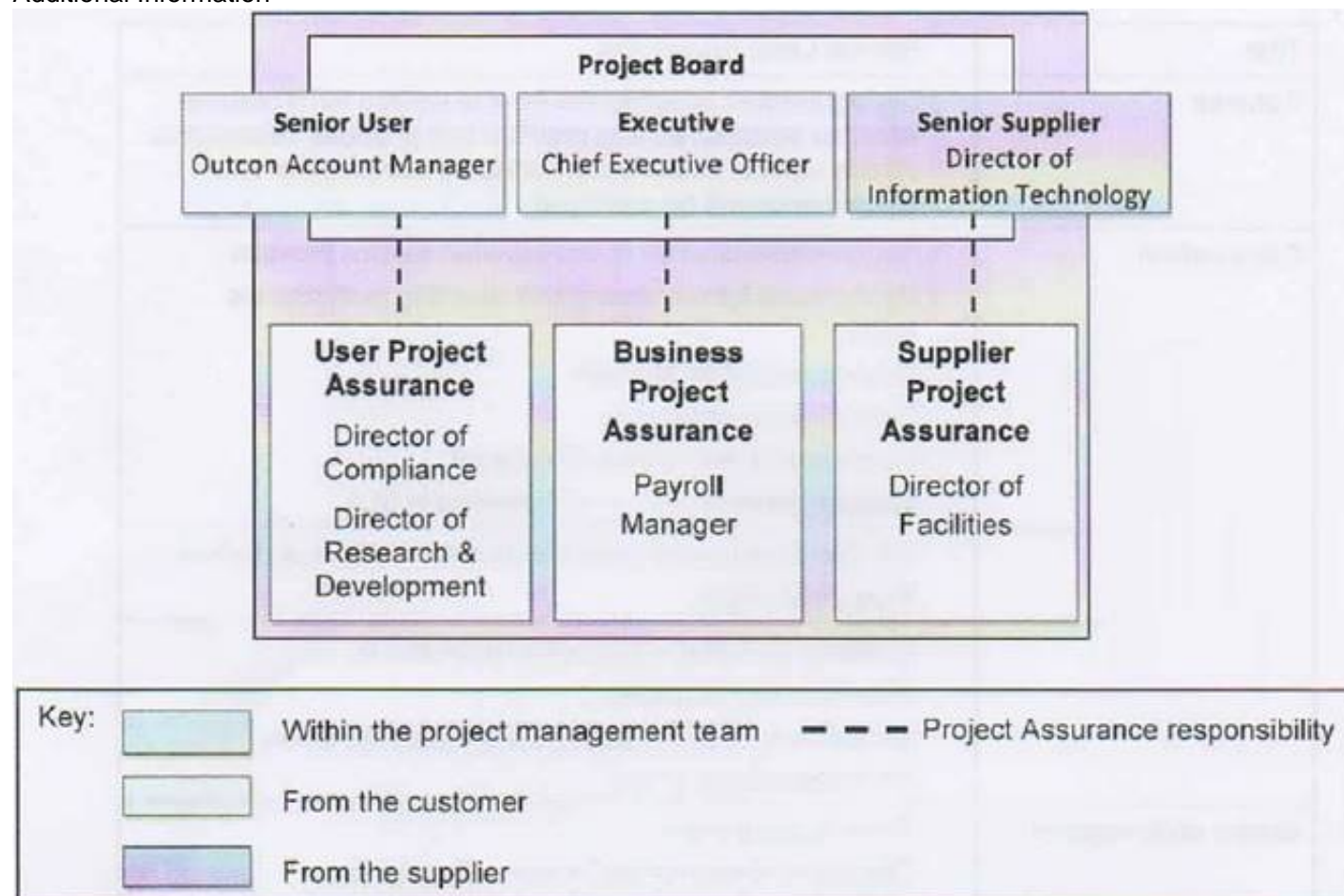
Answer: AC

NEW QUESTION 36

- (Exam Topic 3)

Scenario

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 business assurance for this project?

- A. Remove because he will be impacted by the project and therefore represents a user.
- B. Replace with 'Project Manager' because this is a simple project that does not require additional business assurance.
- C. Add Outcome Consultants' because they carried out the feasibility study.
- D. Add 'Director of Finance Division' because she is responsible for checking that any supplier and contractor payments are authorized.
- E. Retain because he is familiar with the Ministry of Food Hygiene business strategy, the business level risk assessment and the Business Case standards.

Answer: DE

NEW QUESTION 37

- (Exam Topic 3)

Scenario

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. Whilst 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 been decided which of the photographers to use.

Which 2 statements explain why the CEO should be appointed as the Executive for this project?

- A. He started the company 25 years ago.
- B. He knows his job very well.
- C. He restricts his visits to the engineering area.
- D. He has the authority to commit resources as required.
- E. He has an overall perspective of the business's strategic requirements.

Answer: DE

NEW QUESTION 39

- (Exam Topic 3)

Which of the following is False?

A Successful project management team should.

- A. Have business, user and supplier stakeholder representation
- B. Never be reviewed as members should stay with the team for the duration
- C. Ensure appropriate governance by defining responsibilities for directing, managing and delivering the project and clearly defining accountability at all levels
- D. Have an effective strategy to manage communication flows to and from stakeholders

Answer: B

NEW QUESTION 41

- (Exam Topic 3)

Scenario

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 to be decided which of the photographers to use.

Which 2 statements explain why Central Records should be appointed as Project Support for this project?

- A. They control the receipt, identification, versions, storage and issue of all project products within the company's projects.
- B. They already exist within the organization and have been with the company for many years.
- C. They will ensure compliance with all company policies and procedures.
- D. They perform a quality assurance function across all projects.
- E. They have knowledge of the organizational standards that will be applicable to the project.

Answer: AE

NEW QUESTION 46

- (Exam Topic 4)

In the PRINCE2 Quality review technique, who would most likely carry out the role of administrator:

- A. Project manager
- B. Project support
- C. Team Manager
- D. Project Assurance

Answer: B

NEW QUESTION 47

- (Exam Topic 4)

Which of the following statements are True:

- * 1. Quality management is the complete set of quality standards, procedures and responsibilities for a site or organization.
- * 2. Quality planning is about defining products required of the project with their respective quality criteria, methods and responsibilities.
- * 3. Quality control focuses on the operational techniques and activities used to carry out quality inspections
- * 4. Quality assurance ensures that quality methods are being correctly followed.

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

Answer: A

NEW QUESTION 51

- (Exam Topic 4)

Scenario

Additional Information Product Description

Title	Service Level Agreement.
Purpose	<ul style="list-style-type: none"> This agreement specifies the level of service MFH requires from the selected service provider and provides measurable criteria against which the selected service provider's performance will be assessed.
Composition	<ul style="list-style-type: none"> Responsibilities of MFH and selected service provider. Mechanisms for monitoring and reporting performance levels. Dispute resolution process. Confidentiality provisions. Conditions for termination of contract. Glossary of technical terms contained in SLA.
Format and presentation	<ul style="list-style-type: none"> A4, Word document, printed both sides in black and white. Font: Arial, 12pts.
Quality criteria	<ul style="list-style-type: none"> Contains all composition items listed above. Not more than 60 pages. Complies with MFH corporate branding standards. No typographical errors.
Quality skills required	<ul style="list-style-type: none"> Proof-reading skills. Director of Compliance Division - Reviewer. Director of Information Technology Division - Reviewer. Administrator.
Quality responsibilities	<ul style="list-style-type: none"> Producer/Presenter: Director of Facilities Division. Chair: Project Manager.

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 52

- (Exam Topic 4)

Scenario

Additional Information Product Description

Title	Service Level Agreement.
Purpose	<ul style="list-style-type: none"> This agreement specifies the level of service MFH requires from the selected service provider and provides measurable criteria against which the selected service provider's performance will be assessed.
Composition	<ul style="list-style-type: none"> Responsibilities of MFH and selected service provider. Mechanisms for monitoring and reporting performance levels. Dispute resolution process. Confidentiality provisions. Conditions for termination of contract. Glossary of technical terms contained in SLA.
Format and presentation	<ul style="list-style-type: none"> A4, Word document, printed both sides in black and white. Font: Arial, 12pts.
Quality criteria	<ul style="list-style-type: none"> Contains all composition items listed above. Not more than 60 pages. Complies with MFH corporate branding standards. No typographical errors.
Quality skills required	<ul style="list-style-type: none"> Proof-reading skills. Director of Compliance Division - Reviewer. Director of Information Technology Division - Reviewer. Administrator.
Quality responsibilities	<ul style="list-style-type: none"> Producer/Presenter: Director of Facilities Division. Chair: Project Manager.

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.
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- * 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 is a correctly defined acceptance criterion for the service level agreement (SLA) with the selected service provider?

- A. The SLA must extend for the full duration of the service contract.
- B. Any changes to the SLA must be managed through formal change control.
- C. External consultants are to assist in the creation of the SLA.
- D. The selected service provider should be located locally.

Answer: A

NEW QUESTION 54

- (Exam Topic 4)

Scenario

Extract from the Project Product Description (with errors)

Composition	1. Monthly calendar displays 2. 100gsm glossy paper 3. Full colour 4. Selected envelope 5. Chosen label design 6. List of customers 7. Selected photos 8. Photo session schedule
Derivation	9. New company logo design 10. Previous calendar designs 11. Internal creative team 12. Production cost forecast
Development skills required	13. Photographer 14. Internal creative team 15. Printer
Customer's quality expectations	16. Professional photos 17. 10% more calendars should be printed than required to allow for any late additions to the list of customers 18. Compliance with applicable corporate standards 19. The calendar should reflect the company image as described in the corporate branding standards 20. The calendar will increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months
Acceptance criteria	21. Appearance - each photo should be sufficiently attractive and humorous that the customer wants to display it 22. Appearance - new company logo promotes strong image 23. Security - complies with Data Protection Act 24. Accuracy - public holidays match the list supplied by Marketing on 01 November

Which 2 statements apply to the Development skills required section?

- A. Move entry 13 to Composition because the appointment of the photographer is within the scope of this project.
- B. Move entry 13 to Derivation because this is a source of information for this project.
- C. Delete entry 14 because this skill is NOT required within this project.
- D. Delete entry 15 because this skill is NOT required within this project.
- E. Add 'Knowledge of Data Protection Act.

Answer: DE

NEW QUESTION 57

- (Exam 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 60

- (Exam Topic 5)

Scenario

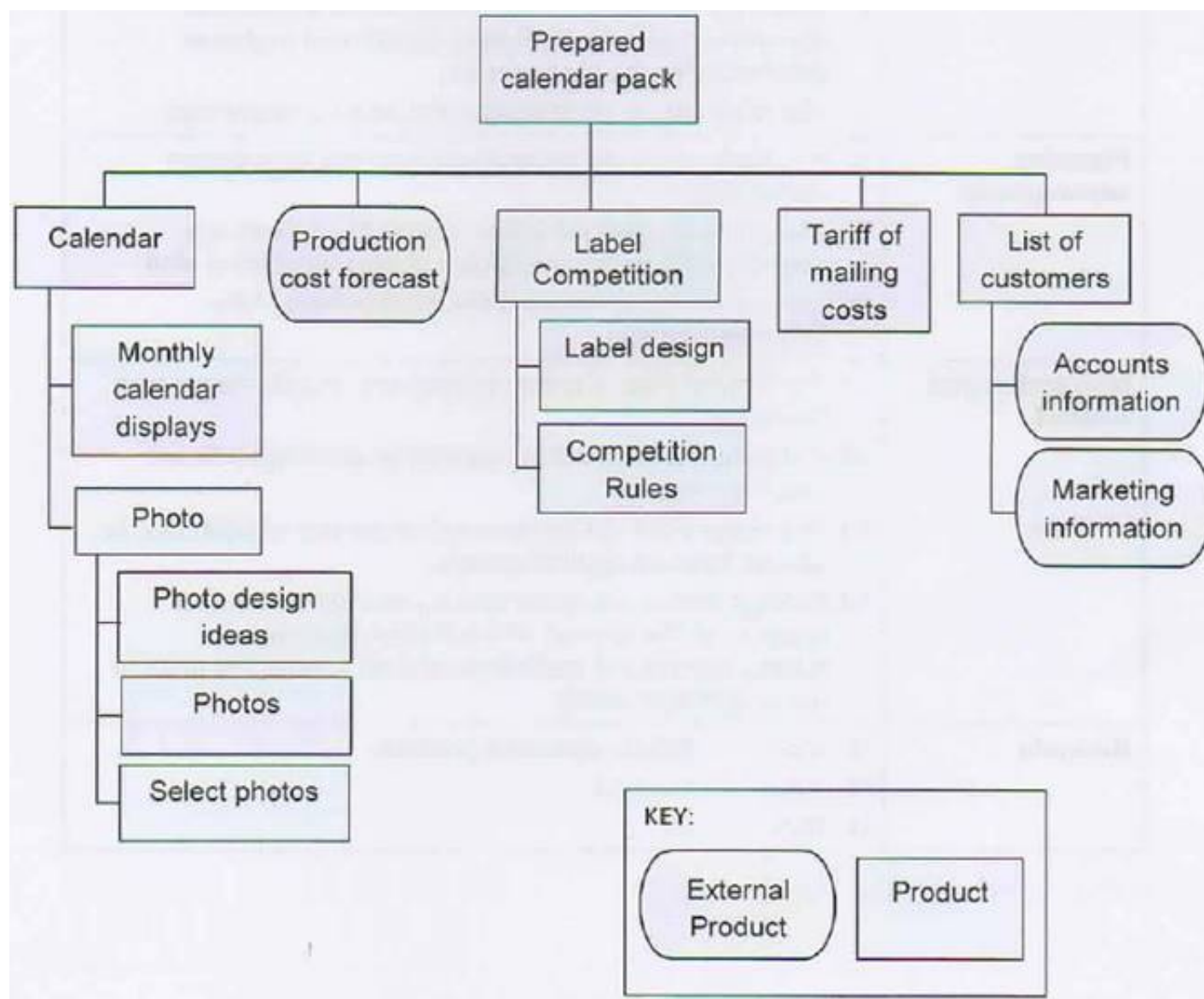
Product Summary

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).

Plan description	1. Stage 3 is the final stage of the project and will deliver the photos, the label design competition entries, the winning label design and the prepared calendar pack.
Plan prerequisites	2. Increase in orders and improved company image. 3. The production cost forecast must be acceptable to the Project Board if the photography and label design competition are to go ahead. 4. The customer list is accurate and complete.
External dependencies	5. A separate project has been reviewing the company's branding. The company logo, required for the label design competition, is being updated. The new company logo is to be supplied by the other project in two weeks time. 6. Customer details will be supplied from the Accounts department and the Marketing department customer databases for the customer list. 7. The label design must contain the new company logo.
Planning assumptions	8. A suitable entry will be received from the label design competition. 9. The photo session schedule created two weeks ago correctly reflects the availability of the engineering staff. 10. Each photo must feature different members of the Engineering team.
Monitoring and control	11. The Project Plan is to be updated with actual throughout the stage. 12. A Highlight Report will be created for the Project Board every two weeks. 13. The Stage Plan will be reviewed at the end of each day, to assess forecast against actual. 14. Product Status Accounts will be produced by Project Support, at the request of the Project Manager, to summarize current and historical data concerning each of the project's products.
Budgets	15. Cost £5k for specialist products 16. Time 4 weeks 17. Risk £0

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 Plan prerequisites section?

- A. Delete entry 2 because these are project benefits not prerequisites of the stage.
- B. Delete entry 3 because the production cost forecast is a deliverable of stage 2, not a prerequisite for stage 3.
- C. Delete entry 4 because the customer list is a deliverable of stage 2, not a prerequisite for stage 3.
- D. Add 'Engineering team must be made available for photos'.
- E. Add 'Compliance with the Data Protection Act'.

Answer: AC

NEW QUESTION 62

- (Exam Topic 5)
Drop down the right answer from Column 1 to column 2.

Column 1	Column 2
This plan includes the detailed design of the process model, systems model, operating model and organization model.	<div><div></div><div>Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule</div></div>
A monthly stage status report will be provided to the Project Board.	<div><div></div><div>Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule</div></div>
The high-level models, produced in the feasibility study by the management col consultant, will be used by the project.	<div><div></div><div>Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule</div></div>
The Project Board has approved the recommendation to outsource both the Information Technology Division and the Facilities Division to one service provider and this decision must remain in place.	<div><div></div><div>Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule</div></div>
Based on advice from the Ministry of Trade and Industry that, in their experience, drafting a service level agreement is a lengthy process, allowances have been made for this in the Stage Plan for stage 2.	<div><div></div><div>Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule</div></div>
Time: +2 weeks 1-2 weeks.	<div><div></div><div>Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated</div></div>

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Column 1

This plan includes the detailed design of the process model, systems model, operating model and organization model.

A monthly stage status report will be provided to the Project Board.

The high-level models, produced in the feasibility study by the management consultant, will be used by the project.

The Project Board has approved the recommendation to outsource both the Information Technology Division and the Facilities Division to one service provider and this decision must remain in place.

Based on advice from the Ministry of Trade and Industry that, in their experience, drafting a service level agreement is a lengthy process, allowances have been made for this in the Stage Plan for stage 2.

Time: +2 weeks 1-2 weeks.

Column 2

Plan description
Plan prerequisites
External dependencies
Planning assumptions
Lessons incorporated
Monitoring and control
Budgets
Tolerances
Schedule

Plan description
Plan prerequisites
External dependencies
Planning assumptions
Lessons incorporated
Monitoring and control
Budgets
Tolerances
Schedule

Plan description
Plan prerequisites
External dependencies
Planning assumptions
Lessons incorporated
Monitoring and control
Budgets
Tolerances
Schedule

Plan description
Plan prerequisites
External dependencies
Planning assumptions
Lessons incorporated
Monitoring and control
Budgets
Tolerances
Schedule

Plan description
Plan prerequisites
External dependencies
Planning assumptions
Lessons incorporated
Monitoring and control
Budgets
Tolerances
Schedule

Plan description
Plan prerequisites
External dependencies
Planning assumptions
Lessons incorporated

NEW QUESTION 63

- (Exam Topic 5)

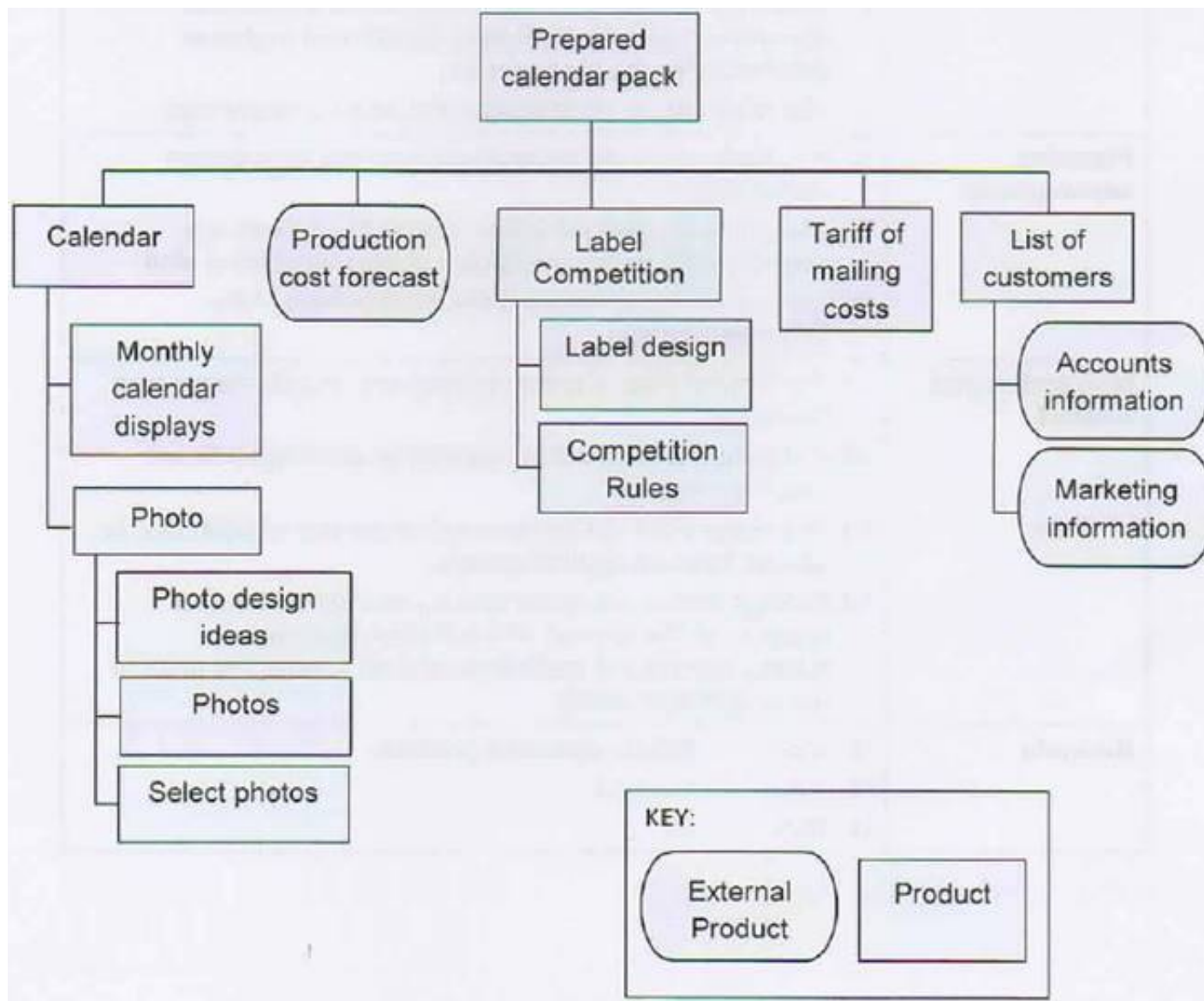
Product Summary

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).

Plan description	1. Stage 3 is the final stage of the project and will deliver the photos, the label design competition entries, the winning label design and the prepared calendar pack.
Plan prerequisites	2. Increase in orders and improved company image. 3. The production cost forecast must be acceptable to the Project Board if the photography and label design competition are to go ahead. 4. The customer list is accurate and complete.
External dependencies	5. A separate project has been reviewing the company's branding. The company logo, required for the label design competition, is being updated. The new company logo is to be supplied by the other project in two weeks time. 6. Customer details will be supplied from the Accounts department and the Marketing department customer databases for the customer list. 7. The label design must contain the new company logo.
Planning assumptions	8. A suitable entry will be received from the label design competition. 9. The photo session schedule created two weeks ago correctly reflects the availability of the engineering staff. 10. Each photo must feature different members of the Engineering team.
Monitoring and control	11. The Project Plan is to be updated with actual throughout the stage. 12. A Highlight Report will be created for the Project Board every two weeks. 13. The Stage Plan will be reviewed at the end of each day, to assess forecast against actual. 14. Product Status Accounts will be produced by Project Support, at the request of the Project Manager, to summarize current and historical data concerning each of the project's products.
Budgets	15. Cost £5k for specialist products 16. Time 4 weeks 17. Risk £0

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.

Column 1	Column 2
Production cost forecast	<div><div></div><div>External product incorrectly shown Internal product incorrectly shown as an external product NOT a product Correctly shown entry</div></div>
Tariff of mailing costs	<div><div></div><div>External product incorrectly shown Internal product incorrectly shown as an external product NOT a product Correctly shown entry</div></div>
Photo design ideas	<div><div></div><div>External product incorrectly shown Internal product incorrectly shown as an external product NOT a product Correctly shown entry</div></div>
Accounts information	<div><div></div><div>External product incorrectly shown Internal product incorrectly shown as an external product NOT a product Correctly shown entry</div></div>
Monthly calendar displays	<div><div></div><div>External product incorrectly shown Internal product incorrectly shown as an external product NOT a product Correctly shown entry</div></div>
Label design	<div><div></div><div>External product incorrectly shown Internal product incorrectly shown as an external product NOT a product Correctly shown entry</div></div>
Select photos	<div><div></div><div>External product incorrectly shown Internal product incorrectly shown as an external product NOT a product Correctly shown entry</div></div>

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Column 1	Column 2
Production cost forecast	<div>External product incorrectly shown</div> <div>Internal product incorrectly shown as an external product</div> <div>NOT a product</div> <div>Correctly shown entry</div>
Tariff of mailing costs	<div>External product incorrectly shown</div> <div>Internal product incorrectly shown as an external product</div> <div>NOT a product</div> <div>Correctly shown entry</div>
Photo design ideas	<div>External product incorrectly shown</div> <div>Internal product incorrectly shown as an external product</div> <div>NOT a product</div> <div>Correctly shown entry</div>
Accounts information	<div>External product incorrectly shown</div> <div>Internal product incorrectly shown as an external product</div> <div>NOT a product</div> <div>Correctly shown entry</div>
Monthly calendar displays	<div>External product incorrectly shown</div> <div>Internal product incorrectly shown as an external product</div> <div>NOT a product</div> <div>Correctly shown entry</div>
Label design	<div>External product incorrectly shown</div> <div>Internal product incorrectly shown as an external product</div> <div>NOT a product</div> <div>Correctly shown entry</div>
Select photos	<div>External product incorrectly shown</div> <div>Internal product incorrectly shown as an external product</div> <div>NOT a product</div> <div>Correctly shown entry</div>

NEW QUESTION 64

- (Exam Topic 5)

Scenario

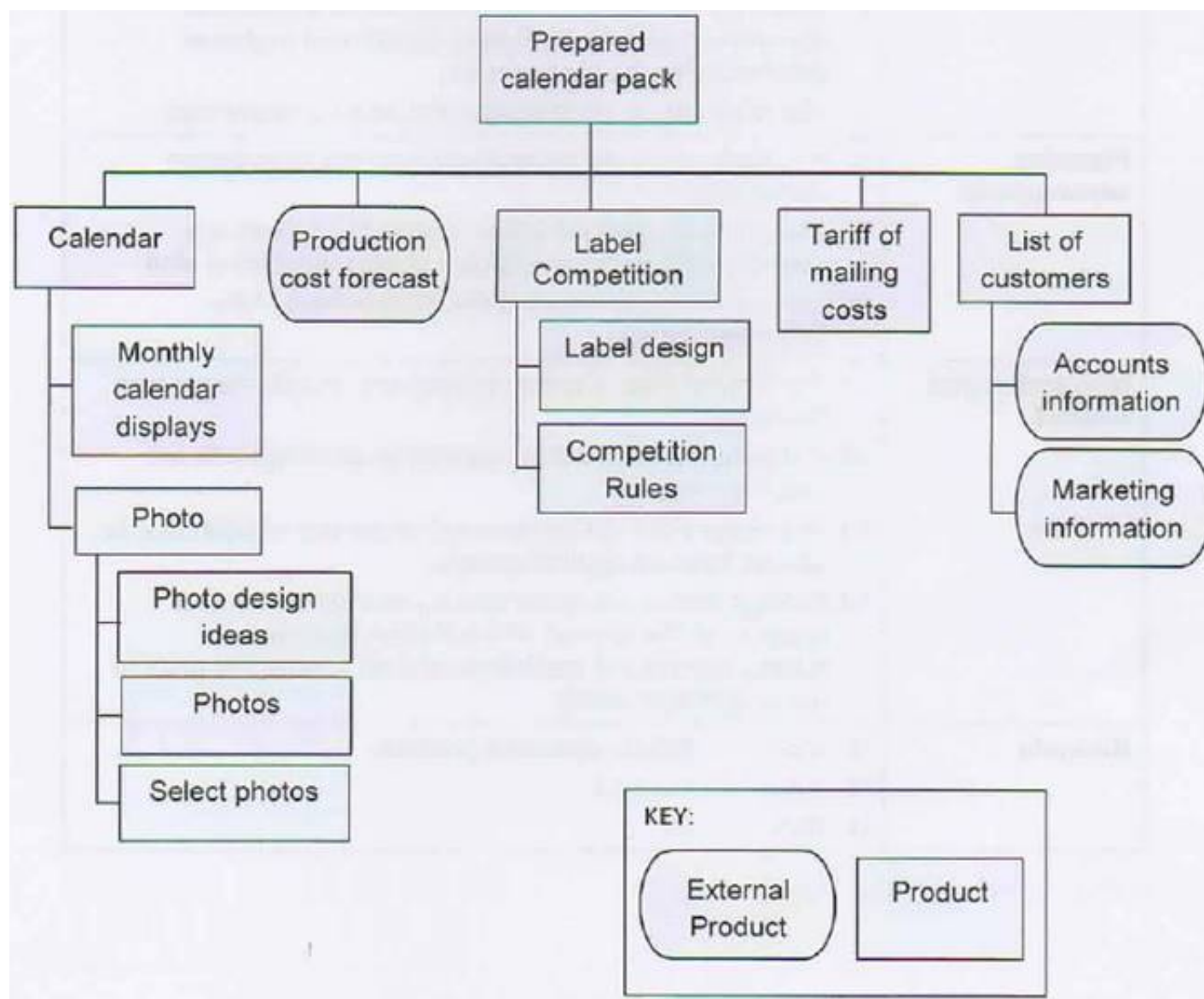
Product Summary

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).

Plan description	1. Stage 3 is the final stage of the project and will deliver the photos, the label design competition entries, the winning label design and the prepared calendar pack.
Plan prerequisites	2. Increase in orders and improved company image. 3. The production cost forecast must be acceptable to the Project Board if the photography and label design competition are to go ahead. 4. The customer list is accurate and complete.
External dependencies	5. A separate project has been reviewing the company's branding. The company logo, required for the label design competition, is being updated. The new company logo is to be supplied by the other project in two weeks time. 6. Customer details will be supplied from the Accounts department and the Marketing department customer databases for the customer list. 7. The label design must contain the new company logo.
Planning assumptions	8. A suitable entry will be received from the label design competition. 9. The photo session schedule created two weeks ago correctly reflects the availability of the engineering staff. 10. Each photo must feature different members of the Engineering team.
Monitoring and control	11. The Project Plan is to be updated with actual throughout the stage. 12. A Highlight Report will be created for the Project Board every two weeks. 13. The Stage Plan will be reviewed at the end of each day, to assess forecast against actual. 14. Product Status Accounts will be produced by Project Support, at the request of the Project Manager, to summarize current and historical data concerning each of the project's products.
Budgets	15. Cost £5k for specialist products 16. Time 4 weeks 17. Risk £0

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 External dependencies section?

- A. Delete entry 5 because the new company logo is being delivered by a separate project and will be detailed in the plans for that project.
- B. Move entry 5 to Plan prerequisites because the new company logo will influence the label designs.
- C. Move entry 5 to Plan description because the new company logo will be delivered during stage 3.
- D. Delete entry 6 because the customer details were used in stage 2 to create the customer list.
- E. Delete entry 7 because it should be shown in the Product Description for the label design.

Answer: DE

NEW QUESTION 69

- (Exam Topic 5)

Product based planning focuses on which of the following:

- * 1. Creating product descriptions
- * 2. Identifying activities
- * 3. Creating a Product hierarchy
- * 4. Creating a Product sequence

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

Answer: A

NEW QUESTION 70

- (Exam 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 73

- (Exam 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 76

- (Exam 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.

Using the Project Scenario answer the following question. The Plan for stage 3 has been approved and work has commenced.

Column 1 contains a number of issues for this project. Select from Column 2 the appropriate category for each issue. Each selection from Column 2 can be used once, more than once or not at all.

Drop down the right answer from column 1 to column 2.

Column 1

Although NOT previously considered, the Engineering Manager now wants to amend the Product Description for the photos to include images of his latest production machinery.

The Marketing Director feels that the calendar may NOT be of sufficient quality to achieve the projected benefits.

The Marketing department have identified some new customers and want to include them in the approved list of customers.

The photographer has ignored the agreed photo session schedule. He has interrupted the work of the engineering staff to take the photos for the calendar.

The chosen label design has been signed-off in error as the old company logo has been used. Inclusion of the new company logo was specified.

The Project Manager has received notification of a postal strike occurring in December.

Column 2

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Column 1

Although NOT previously considered, the Engineering Manager now wants to amend the Product Description for the photos to include images of his latest production machinery.

The Marketing Director feels that the calendar may NOT be of sufficient quality to achieve the projected benefits.

The Marketing department have identified some new customers and want to include them in the approved list of customers.

The photographer has ignored the agreed photo session schedule. He has interrupted the work of the engineering staff to take the photos for the calendar.

The chosen label design has been signed-off in error as the old company logo has been used. Inclusion of the new company logo was specified.

The Project Manager has received notification of a postal strike occurring in December.

Column 2

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

▼

Problem or concern
Request for change
Off - specification

NEW QUESTION 80

- (Exam Topic 6)

Which of the following statements best describes what a risk owner is?

- A. Best placed to keep an eye on the risk
- B. Carry out the response actions to a risk
- C. Responsible for management, monitoring and control of all aspects of a risk
- D. Reports to the project manager regularly on the status of a risk

Answer: C

NEW QUESTION 85

- (Exam 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 89

- (Exam 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 91

- (Exam 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 will be the impact on the benefits?

- A. Reduced savings, now £10m over 10 years.
- B. Increased savings of £5m over 10 years from the new initiative to centralize the services provided by the Facilities Division.
- C. An additional cost of £1.5m to deliver the services provided by the Facilities Division.
- D. Outsourcing project cost reduced by 50%.

Answer: A

NEW QUESTION 96

- (Exam 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 appointing the MFH Quality Manager to administer the configuration management procedure is correct?

- A. The MFH Quality Manager should administer the configuration management procedure on this project because this task should always be assigned to corporate or programme management.
- B. The MFH Quality Manager should only administer the configuration management procedure on one project at a time.
- C. If the MFH Quality Manager already performs this task on another project, another individual should be appointed.
- D. The MFH Quality Manager would be suitable to perform this task because he is the author of the document control process and is likely to have the knowledge required for this role.

Answer: C

NEW QUESTION 101

- (Exam 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.

Having created the Issue Report and analyzed the impact of removing the Facilities Division from the scope of the Outsourcing project, the proposed option exceeds tolerance. What is the next action the Project Manager should consider?

- A. Create an Exception Report to inform the Project Board of the situation and the available options.
- B. Update the associated Configuration Item Records with details of the Issue Report that caused the change.
- C. Amend the Stage Plan for stage 3: remove all products related to the Facilities Division and add the activities required to deliver the new Government initiative.
- D. Create an Exception Plan to change all of the project's products to reflect the exclusion of services provided by the Facilities Division.

Answer: A

NEW QUESTION 106

- (Exam Topic 7)

When examining a project issue, which three aspects should be considered?

- * 1. Performance targets
- * 2. Business Case
- * 3. Resources
- * 4. Risk

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

Answer: C

NEW QUESTION 110

- (Exam 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 113

- (Exam Topic 8)

There are two time driven controls in PRINCE2, which are they?

- A. Highlight and End Stage Reports
- B. Highlight and Checkpoint Reports
- C. Checkpoint and End Project Reports
- D. Highlight and Lessons Reports

Answer: B

NEW QUESTION 118

- (Exam Topic 8)

Scenario:

Techniques, processes and procedures

- * 1. Any threat that may result in a loss of MFH data must be escalated immediately. Joint agreements
- * 2. Work is to start at the beginning of week 2 (Stage 4).
- * 3. The project will take two years to complete, at an estimated cost of £2.5m. Tolerances
- * 4. None. Constraints
- * 5. MFH staff must not be involved in any heavy lifting during the removal of existing IT equipment.
- * 6. Installation work must take place during MFH normal working hours.
- * 7. +£10,000 / -£25,000.

Reporting arrangements

- * 8. Highlight Report every Monday by 10.00 am.
- * 9. The report must contain a summary of all products worked on during the previous week.
- * 10. Project Manager must be notified of any issues immediately by telephone. Problem handling and escalation
- * 11. Impact analysis of all issues must be completed within 24 hours. Extracts or references
- * 12. The Stage Plan for stage 4 is available from Project Support. Approval method
- * 13. Project Assurance will review the completed Work Package and confirm completion

Which 2 statements apply to either the Techniques, processes and procedures or Constraints sections?

- A. Delete entry 1 because this section should contain the techniques, processes and procedures required for specialist product development.
- B. Add 'There must be minimum disruption to current services' to Constraints.
- C. Move entry 5 to Techniques, processes and procedures because this is a technique which staff should be aware of.
- D. Delete entry 6 because this applies to Office Moves Limited and is therefore outside the Work Package.
- E. Delete entry 7 because this should be contained in the Quality skills required section of the Product Description.

Answer: DE

NEW QUESTION 119

- (Exam 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 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 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 120

- (Exam Topic 8)

Who is responsible for confirming stage and project progress against agreed tolerances?

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

Answer: C

NEW QUESTION 123

- (Exam 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 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
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- > 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 production 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.

At the end of initiation there is +1 week 1-2 weeks time tolerance for this project. Which statement is true?

- A. There can be no time tolerances for any of the stages.
- B. All of the project level time tolerance can be allocated to stage 2.
- C. The Stage Plan for stage 2 could create some additional project time tolerance by allowing no time tolerance in Team Plans.
- D. Additional time tolerance for the project could be found by adding extra resources without affecting other tolerances.

Answer: B

NEW QUESTION 124

- (Exam Topic 8)

Scenario:

Techniques, processes and procedures

- * 1. Any threat that may result in a loss of MFH data must be escalated immediately. Joint agreements
- * 2. Work is to start at the beginning of week 2 (Stage 4).
- * 3. The project will take two years to complete, at an estimated cost of £2.5m. Tolerances
- * 4. None. Constraints
- * 5. MFH staff must not be involved in any heavy lifting during the removal of existing IT equipment.
- * 6. Installation work must take place during MFH normal working hours.
- * 7. +£10,000 / -£25,000.

Reporting arrangements

- * 8. Highlight Report every Monday by 10.00 am.
- * 9. The report must contain a summary of all products worked on during the previous week.
- * 10. Project Manager must be notified of any issues immediately by telephone. Problem handling and escalation
- * 11. Impact analysis of all issues must be completed within 24 hours. Extracts or references
- * 12. The Stage Plan for stage 4 is available from Project Support. Approval method
- * 13. Project Assurance will review the completed Work Package and confirm completion Which 2 statements apply to either the Extracts or references or Approval method sections?

- A. Delete entry 12 because this should be the Team Plan not the Stage Plan.
- B. A suitable entry for Extracts or references would be 'Product Descriptions are available from Project Support'.

- C. Move entry 13 to Reporting arrangements because this describes how completion will be advised to the
- D. Project Manager.
- E. Delete entry 13 because this is NOT a Project Assurance responsibility.
- F. Add 'The Project Manager is to be advised of completion of the Work Package by email'.

Answer: AB

NEW QUESTION 129

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