

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: 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.

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.

The ‘classroom-based training materials’ will be used as the basis for developing the ‘e-learning course’. As a result, the executive wants to ensure that the ‘classroom-based training materials’ are of the required standard. The executive has asked to meet the project manager every day during stage 2 to discuss progress and identify any concerns regarding quality.

Is this an appropriate approach to applying the organization theme, and why?

- A. Yes, because the executive should be available to provide ad hoc direction to the project manager.
- B. Yes, because the executive should be the key decision-maker on the project, supported by other project board members.
- C. No, because the senior user should be responsible for specifying the quality criteria for the training materials.
- D. No, because the project manager should be given authority to manage the project on a day-to-day basis.

Answer: D

NEW QUESTION 2

- (Exam Topic 1)

Project Scenario – Health and Safety Training Project:

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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:

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End of the additional information. STARTING UP A PROJECT

Here are three actions carried out during the 'starting up a project' process. As part of which activity (A-F) should each action occur?

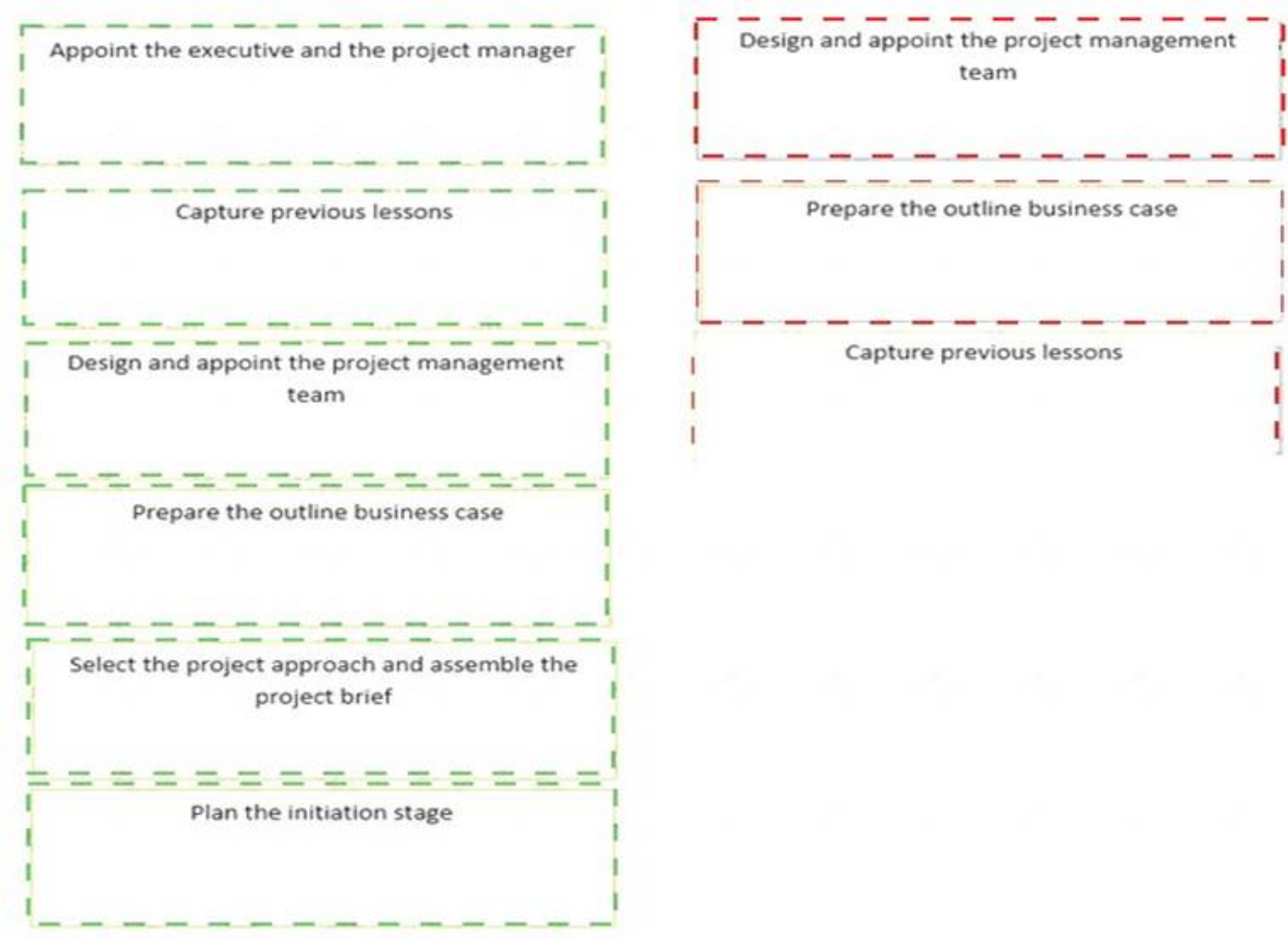
Choose only one activity for each action. Each activity can be used once, more than once, or not at all.

Appoint the executive and the project manager	Agree whether IT department of ABC Company has the skills and capacity to deliver the 'e-learning course' or whether it should be delivered by an external supplier.
Capture previous lessons	Discuss the need for the health and safety training, in order to identify who would be a suitable candidate to manage the Health and Safety Training Project.
Design and appoint the project management team	Define the reporting and control arrangements based on the lessons from the most recently completed training design and delivery project.
Prepare the outline business case	
Select the project approach and assemble the project brief	
Plan the initiation stage	

A. Mastered
B. Not Mastered

Answer: A

Explanation:



NEW QUESTION 3

- (Exam Topic 1)

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End of the Project scenario. Additional Information:

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End of the additional information.

The external team manager for the 'e-learning course' has reviewed the quality register to ensure all quality activities have been completed. The 'e-learning course' has been approved and accreditation has been achieved. As a result, the team manager updated the work package to notify the project manager that it is complete, and updated the team plan.

Is this appropriate, and why?

- A. Yes, because the project manager needs to receive confirmation that work has been completed and approved.
- B. Yes, because a team plan to gain accreditation of the 'e-learning course' is required to be part of the work package.
- C. No, because it is the configuration item record of the relevant product description that is updated, not the work package.
- D. No, because the work package should be checked to confirm the reporting arrangements of the 'e-learning course'.

Answer: A

NEW QUESTION 4

- (Exam Topic 1)

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End of the Project scenario. Additional Information:

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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.

In order for ABC Company to achieve the expected sales of the health and safety training course, the senior user will need to ensure that all staff understand the objectives and target audience for the course. In addition, these sales will need to be added to each individual's sales targets. These activities have been included in the benefits management approach.

Is this appropriate, and why?

- A. Yes, because how the benefits will be measured needs to be documented.
- B. Yes, because the actions required to achieve the outcomes need to be documented.
- C. No, because the expected sales increase should be recorded in the business case.
- D. No, because actions to deliver the outputs should be recorded in the stage plan.

Answer: A

NEW QUESTION 5

- (Exam Topic 1)

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End of the Project scenario. Additional Information:

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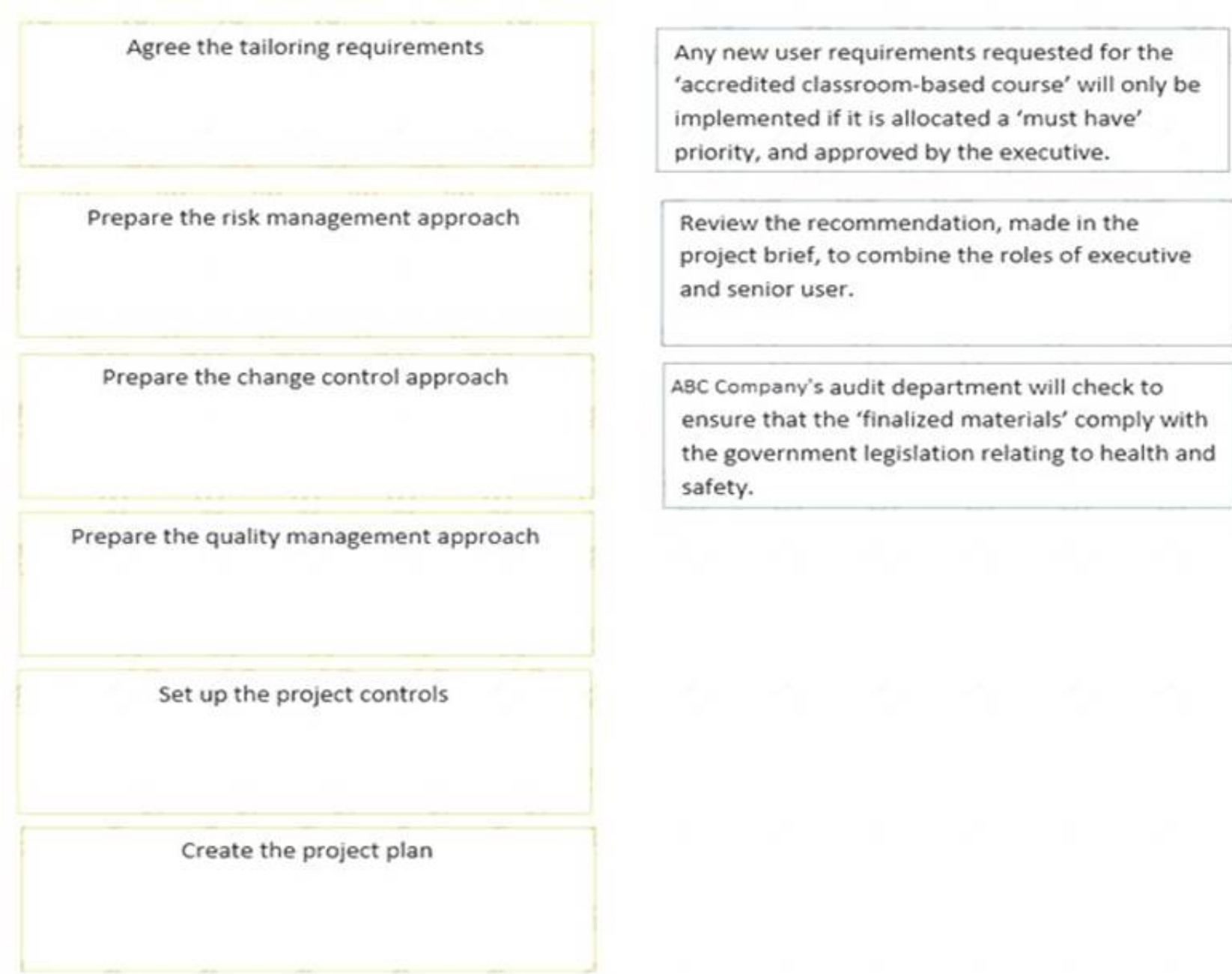
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End of the additional information. INITIATING A PROJECT

Here are three statements that were considered by the project management team during the 'initiating a project' process.

As part of which activity (A-F) should they FIRST be considered?

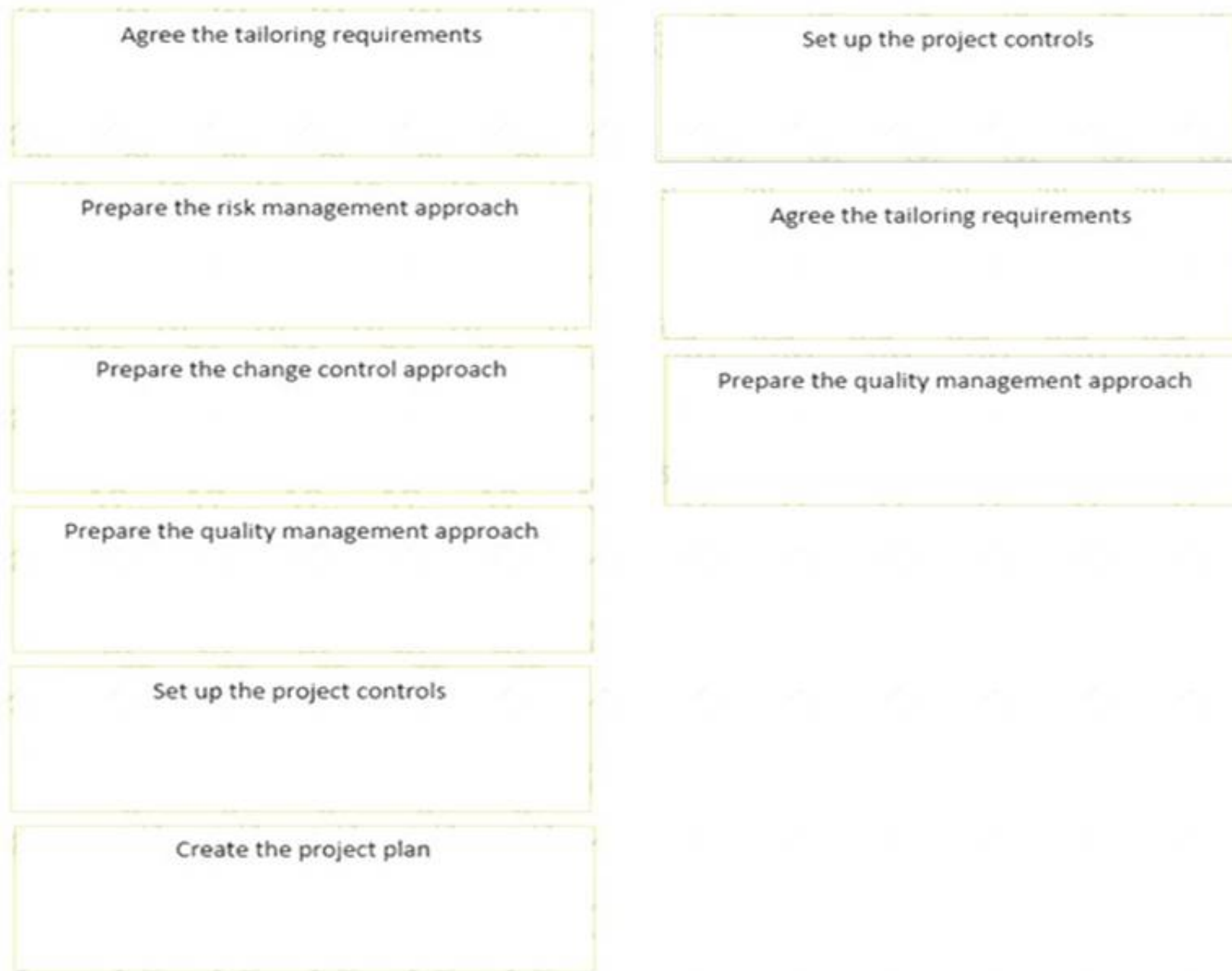
Choose only one activity for each statement. Each activity can be used once, more than once, or not at all.



- A. Mastered
- B. Not Mastered

Answer: A

Explanation:



NEW QUESTION 6

- (Exam Topic 1)

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End of the Project scenario. Additional Information:

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- A. As part of the 'prepare planned closure' activity
- B. It will be confirmed that the project has delivered what was defined in the project product description.
- C. As part of the 'prepare planned closure' activity
- D. It will be confirmed that the acceptance criteria defined in the project product description have been met.
- E. As part of the 'hand over products' activity, the benefits management approach will be updated to include future activities for benefit measurement.
- F. As part of the 'hand over products' activity, the 'finalized materials' will be passed to the operational business environments.

Answer: D

NEW QUESTION 7

- (Exam Topic 1)

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End of the Project scenario. Additional Information:

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End of the additional information. PROGRESS
Here are three statements related to tolerances for the Health and Safety Training Project. For each statement, select the tolerance area (A-E) it represents.
Choose only one tolerance area for each statement. Each tolerance area can be used once, more than once, or not at all.

The 'e-learning course' will be accessible by users for 10 hrs each day +/- 2 hrs per day.	Time
The 'classroom-based training material' must include slides and exercises. It should also include pre-course reading.	Cost
Company A plans to generate £1000,000 +/- 10%.	Scope
	Quality
	Benefits

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

The 'e-learning course' will be accessible by users for 10 hrs each day +/- 2 hrs per day.	The 'e-learning course' will be accessible by users for 10 hrs each day +/- 2 hrs per day.
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Company A plans to generate £1000,000 +/- 10%.	Company A plans to generate £1000,000 +/- 10%.
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NEW QUESTION 8

- (Exam Topic 1)

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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.

The project is now closed. The expected increase in revenue is not being achieved. It has been agreed with the team manager for the 'marketing materials' that additional marketing activities will be undertaken to achieve the expected increase in revenue.

Who should be responsible for monitoring the results of the marketing activities, and why?

- A. Senior user, because this person is responsible for realizing the benefits post-project.
- B. Senior user, because this person is responsible for specifying the desired from the project.
- C. The team manager for the 'marketing materials', because this person has the skills to demonstrate that the activities are effective.
- D. The team manager for the 'marketing materials', because the project board is disbanded at the end of the project.

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.

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.

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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.

A construction company that is one of ABC Company's key clients has agreed to provide a member of the staff to review and comment on the 'e-learning course'.

Which stakeholder interest should the member of staff represent, and why?

- A. Supplier, because this stakeholder provides the expertise required by the project.
- B. Supplier, because this stakeholder is an external supplier.
- C. User, because this stakeholder may train its staff using the 'e-learning course'.
- D. User, because this stakeholder ensures that the project provides value for money.

Answer: D

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
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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 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.

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End of the additional information.

ABC Company has a standard course development model with four defined stages that the company manages using PRINCE2. The project manager for the Health and Safety Training Project has recommended the stage 2 of the standard model be split into two separate stages. As a result, there will now be five management stages in the project.

Is this an appropriate application of the 'tailor to suit the project' principle, and why?

- A. Yes, because the project manager can adapt or combine PRINCE2 process to suit the project.
- B. Yes, because the standard course development structure should be tailored to suit the project.
- C. No, because a simple project should have no more than two management stages.
- D. No, because the standard course development structure should be applied to the project.

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.

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End of the additional information. MANAGING PRODUCT DELIVERY

The team manager for the production of the 'marketing materials' has identified that they will not be ready within the timescale agreed in the work package. The team manager has sufficient tolerance to take corrective action. As a result, additional resources have been assigned to this work package.

Which theme is being applied?

- A. Risk
- B. Organization
- C. Progress
- D. Change

Answer: A

NEW QUESTION 15

- (Exam Topic 1)

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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. MANAGING A STAGE BOUNDARY

The ABC Company trainers have been accredited and the course booking procedures have been amended. The 'managing a stage boundary' process is taking place at the end of stage 3.

Which activity should occur during the 'update the business case' activity?

- A. Update the overall plan with the time and cost taken to develop the 'e-learning course' and 'amended course booking procedures'
- B. Break the 'planned pilot courses' down into component products in order to identify the work required to deliver them.
- C. Review whether the possible sales of the training course to external companies are likely to cover the project costs.
- D. Review whether a new team manager should be appointed to lead the delivery of the pilot courses during stage 4.

Answer: A

NEW QUESTION 18

- (Exam Topic 1)

Project Scenario – Health and Safety Training Project:

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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.

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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.

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.

Use the 'Additional Information' in the Scenario Booklet to answer this question.

The Operations Director is the executive for the project and has proposed that a senior course developer be appointed as project manager. The course developer works in the Training Development Manager's team and has a good understanding of the standard course development model. The course developer was a team manager on a previous project for which the Operations Director was the executive.

Is this proposed appointment appropriate, and why?

- A. Yes, because the course developer is responsible for ensuring that trainers deliver courses to the required standard.
- B. Yes, because the course developer is likely to have the project management and specialist knowledge required.
- C. No, because the course developer's team reports to the Business Development Director, not the Operations Director.
- D. No, because there is a conflict of interest as the Training Development Manager is responsible for gaining accreditation.

Answer: A

NEW QUESTION 20

- (Exam Topic 2)

Scenario

Additional Information

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

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

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

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

A number of alternatives were explored, including:

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

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

Using the Project Scenario and the additional Information provided for this question In the Scenario Booklet, answer the following question.
Which 2 statements should be recorded under the Reasons heading?

- A. The Marketing department believes that sending a promotional calendar to current and prospective customers will increase orders by at least 10%.
- B. 10% of customers have not re-ordered in this financial year.
- C. 1,500 orders are expected, each with an average profit of £2k.
- D. The Marketing department believes that the effect of a good company image, portrayed by a successful calendar, will last into a second year.
- E. MNO Manufacturing is experiencing a fall in orders due in part to the increased marketing activities of its competitors.

Answer: BE

NEW QUESTION 21

- (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 22

- (Exam Topic 2)

Which of the following statements describes an outcome?

- A. Any of the projects specialist products
- B. A result of the change derived from using the project's products
- C. A measurable improvement resulting from a change
- D. Something perceived as advantages by a stakeholder

Answer: B

NEW QUESTION 27

- (Exam Topic 2)

Scenario

Additional Information

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

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

In financial terms, there were a total of 1,500 orders in the last financial year, each with an average profit of

£2k. The Marketing department believes that sending a promotional calendar to our current and prospective customers would increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months from the date of distribution.

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

A number of alternatives were explored, including:

- 20% discount for all repeat customers - not cost-effective and very short term
- A promotional calendar as a free Christmas gift - would target current and prospective customers and the benefits would last into a second year
- A series of television and press advertisements was too expensive

- A direct mail shot to all customers - benefit would be short term
- Creation of an internet website - would not suit all customers

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

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

Which 2 statements should be recorded under the Expected benefits heading?

- A. Increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months.
- B. It will be similar to calendars sent out in previous years
- C. The Marketing department believes that the benefits of a good company image, as portrayed by a successful calendar, will last into a second year and bring the same increase in orders.
- D. The calendar will contain photos of both staff and company products.
- E. The Marketing department want a very high quality, glossy product as they believe this will be more appealing to customers.

Answer: AC

NEW QUESTION 31

- (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 36

- (Exam Topic 2)

Scenario

Additional Information

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

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

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

Which 2 statements correctly define a Business Case risk which should be recorded under the Major risks heading?

- A. Operational costs will increase as a result of the recruitment campaign.
- B. The prepared calendar pack is to be delivered to the printers by the first week in December.
- C. If the calendar quality is poor customers will not use it, creating the reverse effect and reducing orders further.
- D. If any competitors launch a calendar at the same time this will reduce the impact of the MNO calendar and benefits will be reduced.
- E. Staff morale will improve as a result of the promotional calendar.

Answer: CD

NEW QUESTION 39

- (Exam Topic 3)

Which of the following statements is true of the business interest on the project?

- A. Ensures the project provides value for money
- B. Ensures the requirements for the project are defined
- C. Ensures the products produced meet the desired quality
- D. Represents the users of the product

Answer: A

NEW QUESTION 44

- (Exam Topic 3)

Which of the following represents the four key characteristics a good Project board should display?

- A. Authority, Credibility, Commitment, Availability
- B. Authority, Credibility, Delegation, Availability
- C. Authority, Availability, Connections, Delegation
- D. Authority, Credibility, Connections, Delegation

Answer: B

NEW QUESTION 46

- (Exam Topic 3)

Who is responsible for ensuring that Communication Management Strategy is appropriate and that planned communication activities actually take place?

- A. Project Assurance
- B. Project Manager
- C. Corporate or Programme Management
- D. Project Support

Answer: A

NEW QUESTION 50

- (Exam Topic 3)

Which of the following roles cannot be combined?

- A. Executive and Senior User
- B. Project Manager and Project Support
- C. Project Assurance and Team Manager
- D. Senior Supplier and Supplier Assurance

Answer: C

NEW QUESTION 52

- (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 the Purchasing Manager should be appointed as a Senior Supplier for this project?

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

Answer: AB

NEW QUESTION 54

- (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 be decided which of the photographers to use.

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

- A. She has been with the company for three years.
- B. She previously had a successful career in publicity.
- C. She is able to represent the business needs of MNO Manufacturing.
- D. She has authority to commit the marketing budget, from which the project will be funded.

E. She requires more experience working with the engineering industry.

Answer: CD

NEW QUESTION 59

- (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 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 62

- (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 the Sales Manager should be appointed as User Assurance for this project?

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

Answer: BC

NEW QUESTION 66

- (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 71

- (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.

None of the reviewers have proof-reading skills.

- A. Record an action to request that Project Assurance identify a proof-reader who can, within the next 2 days, complete the check for typographical errors.
- B. Ask the reviewers present at the meeting to conduct a proof-reading exercise and pass any comments to the author within 2 days.
- C. Contact Project Assurance to find appropriate resources to come into the review.
- D. No action required.

Answer: A

NEW QUESTION 74

- (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.

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- * 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.

Although it is not specified in the current corporate branding standards, the MFH corporate logo should be shown on the front page of the service level agreement.

- A. Obtain agreement from the Director of Facilities Division to amend this within the remaining +2 days tolerance.
- B. Raise an issue (off-specification).
- C. Raise an issue (request for change).
- D. Accept this error as a concession.

Answer: C

NEW QUESTION 76

- (Exam Topic 4)

Which management product defines the detailed nature, purpose and function of a product?

- A. Plan
- B. Quality Register
- C. Project Product Description
- D. Product Description

Answer: D

NEW QUESTION 79

- (Exam Topic 4)

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

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

Drop down the right answer.

Column 1

Half the size of the selected envelope.

Column 2

Not included
 Quality criteria
 Quality tolerance
 Quality skills required
 Quality responsibilities

Attractive large font.

Not included
 Quality criteria
 Quality tolerance
 Quality skills required
 Quality responsibilities

Project Board.

Not included
 Quality criteria
 Quality tolerance
 Quality skills required
 Quality responsibilities

+5% 1-5% of the required label size.

Not included
 Quality criteria
 Quality tolerance
 Quality skills required
 Quality responsibilities

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Column 1	Column 2
Half the size of the selected envelope.	<div><div></div><div>Not included</div><div>Quality criteria</div><div>Quality tolerance</div><div>Quality skills required</div><div>Quality responsibilities</div></div>
Attractive large font.	<div><div></div><div>Not included</div><div>Quality criteria</div><div>Quality tolerance</div><div>Quality skills required</div><div>Quality responsibilities</div></div>
Project Board.	<div><div></div><div>Not included</div><div>Quality criteria</div><div>Quality tolerance</div><div>Quality skills required</div><div>Quality responsibilities</div></div>
+5% 1-5% of the required label size.	<div><div></div><div>Not included</div><div>Quality criteria</div><div>Quality tolerance</div><div>Quality skills required</div><div>Quality responsibilities</div></div>

NEW QUESTION 84

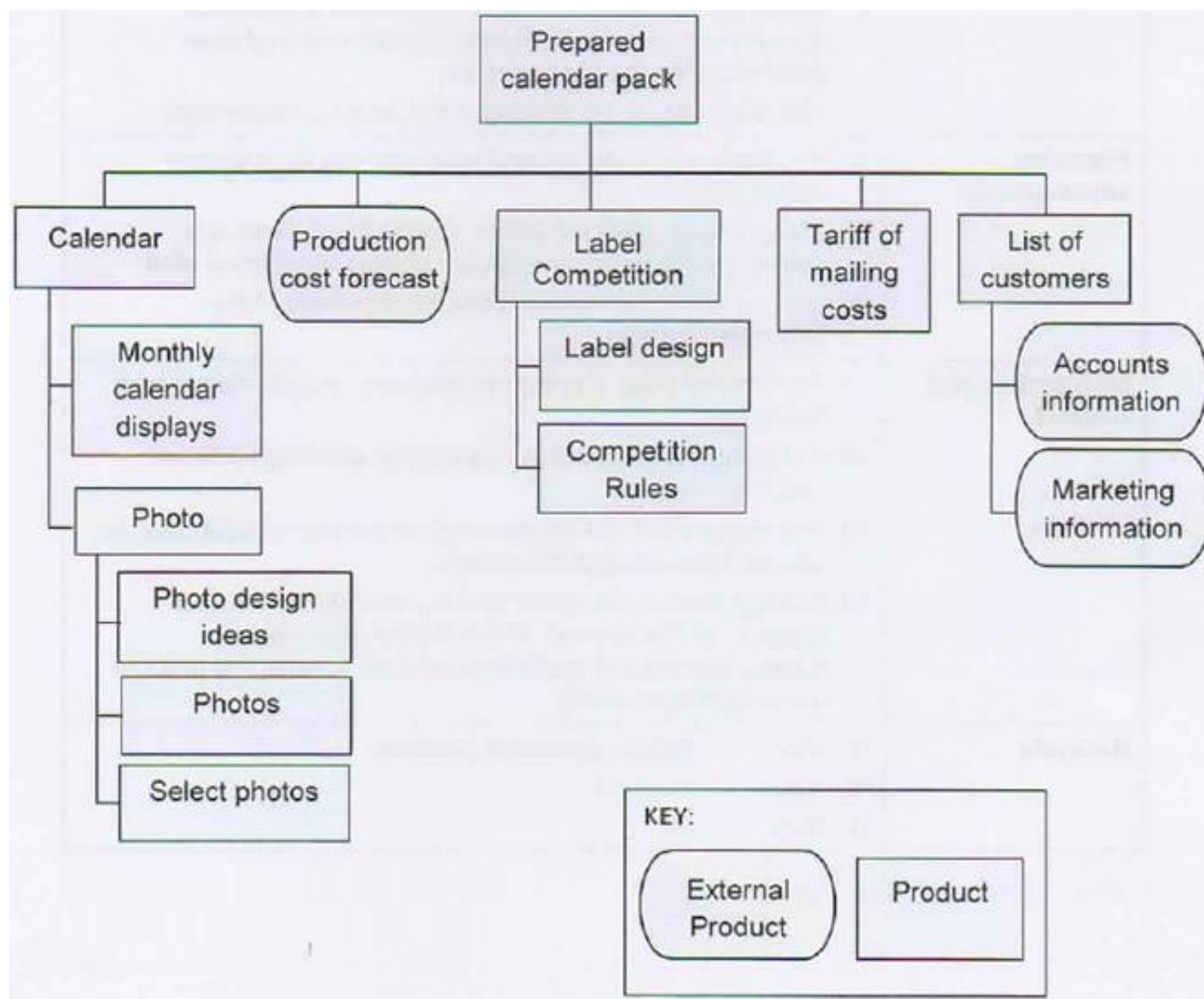
- (Exam Topic 5)
PRINCE2 proposes 3 levels of Plan, which are they?

- 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 86

- (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 91

- (Exam Topic 5)

Which of the following is not part of the composition of a Plan?

- A. Pre-requisites
- B. Assumptions
- C. Quality responsibilities
- D. Product descriptions

Answer: C

NEW QUESTION 93

- (Exam Topic 5)

Who is responsible for committing user resources to the project?

- A. Senior User
- B. Senior Supplier
- C. Executive
- D. Project Board

Answer: A

NEW QUESTION 94

- (Exam Topic 6)

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

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

Answer: A

NEW QUESTION 97

- (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 Roles and responsibilities heading?

- A. Each risk will be assigned a risk owner.
- B. Risks exceeding the agreed project risk tolerance will be reported to the Project Board.
- C. Risk tolerances are allocated to each stage by the Project Manager.
- D. Project Assurance will ensure that project risks are identified, assessed and controlled according to the agreed risk management procedure.
- E. An external consultant is to facilitate a risk identification workshop.

Answer: BD

NEW QUESTION 99

- (Exam Topic 6)

There are four steps in the Risk Management procedure, what are they?

- A. Identify, Assess, Resource, Implement
- B. Identify, Evaluate, Resource, Implement
- C. Identify, Assess, Plan, Implement
- D. Identify, Evaluate, Plan, Implement

Answer: C

NEW QUESTION 102

- (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 107

- (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 111

- (Exam Topic 6)

Additional Information

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

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

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

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.

Column 1 contains a number of risk responses identified by the Project Manager following an assessment of this risk. Column 2 contains a list of threat response types. For each risk response in Column 1, select from Column 2 the type of response it represents. Each option from Column 2 can be used once, more than once or not at all.

Drop down the right answer.

Column 1

Record the risk in the Risk Register and monitor the situation.

Decide not to compete and cancel the project.

Bring the target date of this project forward.

Wait for confirmation of the rival's calendar and, if required, include additional gifts with the calendar as an extra incentive.

Carry on with the project as planned on the basis that the MNO Manufacturing Company calendar is believed to be of better quality.

Add a unique reference number to every calendar and hold a prize draw each month.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Column 2

Avoid
Reduce
Fallback
Transfer
Accept
Share

Avoid
Reduce
Fallback
Transfer
Accept
Share

Avoid
Reduce
Fallback
Transfer
Accept
Share

Avoid
Reduce
Fallback
Transfer
Accept
Share

Avoid
Reduce
Fallback
Transfer
Accept
Share

Avoid
Reduce
Fallback
Transfer
Accept
Share

Column 1	Column 2
Record the risk in the Risk Register and monitor the situation.	<div><div></div><div>Avoid</div><div>Reduce</div><div>Fallback</div><div>Transfer</div><div>Accept</div><div>Share</div></div>
Decide not to compete and cancel the project.	<div><div></div><div>Avoid</div><div>Reduce</div><div>Fallback</div><div>Transfer</div><div>Accept</div><div>Share</div></div>
Bring the target date of this project forward.	<div><div></div><div>Avoid</div><div>Reduce</div><div>Fallback</div><div>Transfer</div><div>Accept</div><div>Share</div></div>
Wait for confirmation of the rival's calendar and, if required, include additional gifts with the calendar as an extra incentive.	<div><div></div><div>Avoid</div><div>Reduce</div><div>Fallback</div><div>Transfer</div><div>Accept</div><div>Share</div></div>
Carry on with the project as planned on the basis that the MNO Manufacturing Company calendar is believed to be of better quality.	<div><div></div><div>Avoid</div><div>Reduce</div><div>Fallback</div><div>Transfer</div><div>Accept</div><div>Share</div></div>
Add a unique reference number to every calendar and hold a prize draw each month.	<div><div></div><div>Avoid</div><div>Reduce</div><div>Fallback</div><div>Transfer</div><div>Accept</div><div>Share</div></div>

NEW QUESTION 112

- (Exam Topic 7)

What is the purpose of a Product Status Account?

- A. A set of records that describe information about the project
- B. A log used to record problems or concerns about products
- C. An audit or review to compare actual status of products
- D. A report covering the status about the state of the projects products within

Answer: D

NEW QUESTION 117

- (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 additional risk will this place on the project?

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

Answer: A

NEW QUESTION 119

- (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 120

- (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 121

- (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 122

- (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 126

- (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 tie activities to:

- Create the customer fast 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 tie 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 tie 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.

The team member collating the list of customers has now forecast that it will NOT be complete by the end of this stage as originally planned, due to a number of new prospective customers' details not yet being available. What action should the team member take?

- A. Report the forecast delay in the next Checkpoint Report to the Executive.
- B. Add the product to the next Stage Plan in order to allocate additional resources and complete the work.
- C. Make an entry in the Risk Register so the Project Manager can decide on appropriate action.
- D. Raise an issue to inform the Project Manager.

Answer: D

NEW QUESTION 129

- (Exam Topic 8)

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

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

Answer: A

NEW QUESTION 130

- (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 133

- (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 it is to be printed on each page of the promotional calendar. The prepared calendar pack will consist of:

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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 135

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