QUESTION 651
Which Control Scope input is compared to actual results to determine if corrective action is required for the project?

A. Scope baseline
B. Scope management plan
C. Change management plan
D. Cost baseline

Correct Answer: A

Explanation
QUESTION 652
Which process is responsible for monitoring the status of the project and product scope and managing changes to the scope baseline?

A. Variance Analysis
B. Define Scope
C. Verify Scope
D. Control Scope

Correct Answer: D Section: Volume E Explanation
Explanation/Reference:
Explanation:
Process: 5.6 Control Scope

Definition: The process of monitoring the status of the project and product scope and managing changes to the scope baseline.

K**ey Benefit:** The key benefit of this process is that it allows the scope baseline to be maintained throughout the project.

Inputs
1. Project management plan
2. Requirements documentation
3. Requirements traceability matrix
4. Work performance data
5. Organizational process assets

Tools & Techniques

1. Variance analysis
Outputs
1. Work performance information
2. Change requests
3. Project management plan updates
4. Project documents updates
5. Organizational process assets updates

QUESTION 653

The total of the planned value (PV) is also known as:

A. work breakdown structure (WBS).
B. schedule target.
C. performance measurement baseline (PMB).
D. earned value baseline.

Correct Answer: C

Section: Volume E Explanation

Explanation/Reference:
Explanation:

Planned value. Planned value (PV) is the authorized budget assigned to scheduled work. It is the authorized budget planned for the work to be accomplished for an activity or work breakdown structure component, not including management reserve. This budget is allocated by phase over the life of the project, but at a given moment, planned value defines the physical work that should have been accomplished. The total of the PV is sometimes referred to as the performance measurement baseline (PMB). The total planned value for the project is also known as budget at completion (BAC).

QUESTION 654
When a permitting agency takes longer than planned to issue a permit, this can be described as a risk:

A. event.
B. response.
C. perception.
D. impact.

Correct Answer: A

QUESTION 655
Plan-do-check-act is also known as:

A. prevention over inspection.
B. statistical sampling.
C. management responsibility.
D. continuous improvement.

Correct Answer: D

QUESTION 656
Which of the following is a tool or technique used in the Determine Budget process?

A. Variance analysis
B. Three-point estimating
C. Bottom-up estimating
D. Historical relationships

Correct Answer: D

Explanation:

Historical Relationships

Any historical relationships that result in parametric estimates or analogous estimates involve the use of project characteristics (parameters) to develop mathematical models to predict total project costs.

Such models may be simple (e.g., residential home construction is based on a certain cost per square foot of space) or complex (e.g., one model of software development costing uses multiple separate adjustment factors, each of which has numerous points within it).

Both the cost and accuracy of analogous and parametric models can vary widely. They are most likely to be reliable when:

Historical information used to develop the model is accurate, Parameters used in the model are readily quantifiable, and Models are scalable, such that they work for large projects, small projects, and phases of a project.

Process: Determine Budget

Definition: The process of aggregating the estimated costs of individual activities or work packages to establish an authorized cost baseline.

Key Benefit: The key benefit of this process is that it determines the cost baseline against which project performance can be monitored and controlled.

Inputs
1. Cost management plan
2. Scope baseline
3. Activity cost estimates
4. Basis of estimates
5. Project schedule
6. Resource calendars
7. Risk register
8. Agreements
9. Organizational process assets

Tools & Techniques

1. Cost aggregation
2. Reserve analysis
3. Expert judgment
4. Historical relationships
5. Funding limit reconciliation

Outputs
1. Cost baseline
2. Project funding requirements
3. Project documents updates

QUESTION 657
The risk shared between the buyer and seller is determined by the:

A. assumption log.
B. quality checklist.
C. risk register.
D. contract type.

Correct Answer: D

QUESTION 658
The project management processes are usually presented as discrete processes with defined interfaces, while in practice they:

A. operate separately.

B. move together in batches,
C. overlap and interact.

D. move in a sequence.
Correct Answer: C

QUESTION 659
The process for performing variance analysis may vary, depending on:

A. scenario building, technology forecasting, and forecast by analogy.
B. working relationships among various stakeholders and team members.
C. application area, the standard used, and the industry.
D. work to be completed next.

Correct Answer: C

QUESTION 660
A tool and technique used during the Define Scope process is:

A. facilitated workshops.
B. observations.
C. questionnaires and surveys.
D. group creativity techniques.

Correct Answer: A

Explanation:
Facilitated Workshops. An elicitation technique using focused sessions that bring key cross-functional stakeholders together to define product requirements.

Process: Define Scope

Definition: The process of developing a detailed description of the project and product.
Key Benefit: The key benefit of this process is that it describes the product,

service, or result boundaries by defining which of the requirements collected will be included in and excluded from the project scope.

Inputs
1. Scope management plan
2. Project charter
3. Requirements documentation
4. Organizational process assets

Tools & Techniques

1. Expert judgment
2. Product analysis
3. Alternatives generation
4. Facilitated workshops

Outputs
1. Project scope statement
2. Project documents updates

QUESTION 661
Which of the following response strategies are appropriate for negative risks or threats?

A. Share, Accept, Transfer, or Mitigate
B. Exploit, Enhance, Share, or Accept
C. Mitigate, Share, Avoid, or Accept
D. Avoid, Mitigate, Transfer, or Accept

Correct Answer: D

Explanation:

Strategies for Negative Risks or Threats

Three strategies, which typically deal with threats or risks that may have negative impacts on project objectives if they occur, are: avoid, transfer, and mitigate. The fourth strategy, accept, can be used for negative risks or threats as well as positive risks or opportunities.

Each of these risk response strategies have varied and unique influence on the risk condition. These strategies should be chosen to match the risk's probability and impact on the project's overall objectives.

Avoidance and mitigation strategies are usually good strategies for critical risks with high impact, while transference and acceptance are usually good strategies for threats that are less critical and with low overall impact. The four strategies for dealing with negative risks or threats are further described as follows:

Avoid: Risk avoidance is a risk response strategy whereby the project team acts to eliminate the threat or protect the project from its impact. It usually involves changing the project management plan to eliminate the threat entirely.

The project manager may also isolate the project objectives from the risk's impact or change the objective that is in jeopardy. Examples of this include extending the schedule, changing the strategy, or reducing scope.

The most radical avoidance strategy is to shut down the project entirely. Some risks that arise early in the project can be avoided by clarifying requirements, obtaining information, improving communication, or acquiring expertise.

Transfer: Risk transference is a risk response strategy whereby the project team shifts the impact of a threat to a third party, together with ownership of the response. Transferring the risk simply gives another party responsibility for its management—it does not eliminate it. Transferring does not mean disowning the risk by transferring it to a later project or another person without his or her knowledge or agreement.

Risk transference nearly always involves payment of a risk premium to the party taking on the risk. Transferring liability for risk is most effective in dealing with financial risk exposure. Transference tools can be quite diverse and include, but are not limited to, the use of insurance, performance bonds, warranties, guarantees, etc.

Contracts or agreements may be used to transfer liability for specified risks to another party. For example, when a buyer has capabilities that the seller does not possess, it may be prudent to transfer some work and its concurrent risk contractually back to the buyer. In many cases, use of a cost-plus contract may transfer the cost risk to the buyer, while a fixed-price contract may transfer risk to the seller.

Mitigate: Risk mitigation is a risk response strategy whereby the project team

acts to reduce the probability of occurrence or impact of a risk. It implies a reduction in the probability and/or impact of an adverse risk to be within acceptable threshold limits. Taking early action to reduce the probability and/or impact of a risk occurring on the project is often more effective than trying to repair the damage after the risk has occurred.

Adopting less complex processes, conducting more tests, or choosing a more stable supplier are examples of mitigation actions. Mitigation may require prototype development to reduce the risk of scaling up from a bench- scale model of a process or product. Where it is not possible to reduce probability, a mitigation response might address the risk impact by targeting linkages that determine the severity. For example, designing redundancy into a system may reduce the impact from a failure of the original component.

Accept: Risk acceptance is a risk response strategy whereby the project team decides to acknowledge the risk and not take any action unless the risk occurs. This strategy is adopted where it is not possible or cost- effective to address a specific risk in any other way. This strategy indicates that the project team has decided not to change the project management plan to deal with a risk, or is unable to identify any other suitable response strategy.

This strategy can be either passive or active. Passive acceptance requires no action except to document the strategy, leaving the project team to deal with the risks as they occur, and to periodically review the threat to ensure that it does not change significantly. The most common active acceptance strategy is to establish a contingency reserve, including amounts of time, money, or resources to handle the risks.

QUESTION 662
Identify Stakeholders is the process of identifying all of the people or organizations impacted by the project and documenting relevant information regarding their interests in, involvement in, and impact on the project:

A. manager.
B. success.
C. deadline.
D. scope.

Correct Answer: B

Explanation:
Process: Identify Stakeholders
Definition: The process of identifying the people, groups, or organizations that could impact or be impacted by a decision, activity, or outcome of the project; and analyzing and documenting relevant information regarding their interests, involvement, interdependencies, influence, and potential impact on project success.

Key Benefit: The key benefit of this process is that it allows the project manager to identify the appropriate focus for each stakeholder or group of stakeholders.

Inputs
Project charter Procurement documents
Enterprise environmental factors Organizational process assets

Tools & Techniques
1. Stakeholder analysis
2. Expert judgment
3. Meetings

Outputs
1. Stakeholder register

QUESTION 663
Which of the following is a tool or technique used in the Acquire Project Team process?

A. Networking
B. Training
C. Negotiation
D. Issue log

Correct Answer: C

Explanation:

Process: Acquire Project Team

Definition: The process of confirming human resource availability and obtaining the team necessary to complete project activities.

Key Benefit: The key benefit of this process consists of outlining and guiding the team selection and responsibility assignment to obtain a successful team.

Inputs
1. Human resource management plan
2. Enterprise environmental factors
3. Organizational process assets

Tools & Techniques

1. Pre-assignment
2. Negotiation
3. Acquisition
4. Virtual teams
5. Multi-criteria decision analysis

Outputs
1. Project staff assignments
2. Resource calendars
3. Project management plan updates

QUESTION 664
Which of the following change requests can bring expected future performance of the project work in line with the project management plan?

A. Corrective action
B. Defect repair
C. Preventative action
D. Probable action

Correct Answer: A

Explanation:
Change Requests

A change request is a formal proposal to modify any document, deliverable, or baseline. An approved change request will replace the associated document, deliverable, or baseline and may result in an update to other parts of the project management plan. When issues are found while project work is being performed, change requests are submitted, which may modify project policies

or procedures, project scope, project cost or budget, project schedule, or project quality.

Other change requests cover the needed preventive or corrective actions to forestall negative impact later in the project. Requests for a change can be direct or indirect, externally or internally initiated, and can be optional or legally/contractually mandated, and may include:

Corrective action—An intentional activity that realigns the performance of the project work with the project management plan.

Preventive action—An intentional activity that ensures the future performance of the project work is aligned with the project management plan.

Defect repair—An intentional activity to modify a nonconforming product or product component;
Updates—Changes to formally controlled project documents, plans, etc., to reflect modified or additional ideas or content.

QUESTION 665
The cost benefit analysis tool is used for creating:

A. Pareto charts.
B. quality metrics.
C. change requests,
D. Ishikawa diagrams.

Correct Answer: B

Explanation:
Cost-Benefit Analysis

The primary benefits of meeting quality requirements include less rework, higher productivity, lower costs, increased stakeholder satisfaction, and increased profitability. A cost-benefit analysis for each quality activity compares the cost of the quality step to the expected benefit.

 Quality Metrics
A quality metric specifically describes a project or product attribute and how the control quality process will measure it. A measurement is an actual value.

The tolerance defines the allowable variations to the metric. For example, if the quality objective is to stay within the approved budget by ± 10%, the specific quality metric is used to measure the cost of every deliverable and determine the percent variance from the approved budget for that deliverable. Quality metrics are used in the perform quality assurance and control quality processes.

Some examples of quality metrics include on-time performance, cost control, defect frequency, failure rate, availability, reliability, and test coverage.

QUESTION 666
Which of the following are three inputs to the risk register?

A. Risk register updates, stakeholder register, and quality management plan
B. Communication management plan, enterprise environmental factors, and activity duration estimates

C. Risk management plan, activity cost estimates, and project documents

D. Project scope statement, organizational process assets, and scope baseline.

Correct Answer: C

QUESTION 667
An input of the Create WBS process is:

A. requirements documentation.
B. scope baseline.
C. project charter.
D. validated deliverables.

Correct Answer: A

Explanation:
Requirements Documentation

Requirements documentation describes how individual requirements meet the business need for the project. Requirements may start out at a high level and become progressively more detailed as more about the requirements is known. Before being baselined, requirements need to be unambiguous (measurable and testable), traceable, complete, consistent, and acceptable to key stakeholders.

The format of a requirements document may range from a simple document listing all the requirements categorized by stakeholder and priority, to more elaborate forms containing an executive summary, detailed descriptions, and attachments. Components of requirements documentation can include, but, are not limited to:

Business requirements, including:
○ Business and project objectives for traceability;
○ Business rules for the performing organization; and
○ Guiding principles of the organization
• Stakeholder requirements, including:
○ Impacts to other organizational areas;
○ Impacts to other entities inside or outside the performing organization; and
○ Stakeholder communication and reporting requirements.
• Solution requirements, including:
○ Functional and nonfunctional requirements;
○ Technology and standard compliance requirements;
○ Support and training requirements;
○ Quality requirements
○ Reporting requirements, etc. (solution requirements can be documented textually, in models, or both). Project requirements, such as:

○ Levels of service, performance, safety, compliance, etc.; and
○ Acceptance criteria. Transition requirements.
Requirements assumptions, dependencies, and constraints.
Process:Create WBS

Definition: WBS is the process of subdividing project deliverables and project work into smaller, more manageable components.

Key Benefit: The key benefit of this process is that it provides a structured vision of what has to be delivered.

Inputs
1. Scope management plan
2. Project scope statement
3. Requirements documentation
4. Enterprise environmental factors

5. Organizational process assets

Tools & Techniques
1. Decomposition
2. Expert judgment
Outputs
1. Scope baseline
2. Project documents updates

QUESTION 668
In Plan Risk Management, which of the management plans determines who will be available to share information on various risks and responses at different times and locations?

A. Schedule
B. Quality
C. Communications
D. Cost

Correct Answer: C

Explanation:
Plan Risk Management

Definition: The process of defining how to conduct risk management activities for a project.
Key Benefit: The key benefit of this process is it ensures that the degree, type, and visibility of risk management are commensurate with both the risks and the importance of the project to the organization.

The risk management plan is vital to communicate with and obtain agreement and support from all stakeholders to ensure the risk management process is supported and performed effectively over the project life cycle.

Inputs
1. Project management plan
2. Project charter
3. Stakeholder register
4. Enterprise environmental factors
5. Organizational process assets

Tools & Techniques

1. Analytical techniques
2. Expert judgment
3. Meetings

Outputs
Risk management plan

QUESTION 669
Under which type of contract does the seller receive reimbursement for all allowable costs for performing contract work, as well as a fixed-fee payment calculated as a percentage of the initial estimated project costs?

A. Cost Plus Fixed Fee Contract (CPFF)
B. Cost Plus Incentive Fee Contract (CPIF)
C. Firm Fixed Price Contract (FFP)
D. Fixed Price with Economic Price Adjustment Contract (FP-EPA)

Correct Answer: A

QUESTION 670
Funding limit reconciliation is a tool and technique used in which process?

A. Control Costs

B. Determine Budget
C. Estimate Costs
D. Control Budget

Correct Answer: B

Explanation:
Funding Limit Reconciliation

The expenditure of funds should be reconciled with any funding limits on the commitment of funds for the project.

A variance between the funding limits and the planned expenditures will sometimes necessitate the rescheduling of work to level out the rate of expenditures. This is accomplished by placing imposed date constraints for work into the project schedule.

Process: Determine Budget

Definition: The process of aggregating the estimated costs of individual activities or work packages to establish an authorized cost baseline.

Key Benefit: The key benefit of this process is that it determines the cost baseline against which project performance can be monitored and controlled.

Inputs
1. Cost management plan
2. Scope baseline
3. Activity cost estimates
4. Basis of estimates
5. Project schedule
6. Resource calendars
7. Risk register

8. Agreements
9. Organizational process assets

Tools & Techniques
1. Cost aggregation
2. Reserve analysis
3. Expert judgment
4. Historical relationships
5. Funding limit reconciliation

Outputs
1. Cost baseline
2. Project funding requirements
3. Project documents updates

QUESTION 671
Exhibit A is an example of which of the following types of Sequence Activities?

A. Activity-on-arrow diagramming
B. Precedence diagramming
C. Project schedule network diagramming
D. Mathematical analysis diagramming

Correct Answer: B

QUESTION 672
Inputs to the Plan Risk Management process include the:

A. cost management plan.
B. risk management plan,
C. activity list,
D. risk register.

Correct Answer: A

QUESTION 673
Which of the following is an output of Define Scope?

A. Project scope statement
B. Project charter
C. Project plan
D. Project schedule

Correct Answer: A

Explanation:
Process: Define Scope

Definition: The process of developing a detailed description of the project and product.
Key Benefit: The key benefit of this process is that it describes the product, service, or result boundaries by defining which of the requirements collected will be included in and excluded from the project scope.

Inputs
1. Scope management plan
2. Project charter
3. Requirements documentation
4. Organizational process assets

Tools & Techniques
1. Expert judgment
2. Product analysis
3. Alternatives generation
4. Facilitated workshops

Outputs
1. Project scope statement
2. Project documents updates

QUESTION 674
The correct equation for schedule variance (SV) is earned value:

A. minus planned value [EV – PV].
B. minus actual cost [EV – AC].
C. divided by planned value [EV/PV],
D. divided by actual cost [EV/AC].

Correct Answer: A

Explanation:
• Schedule variance. Schedule variance (SV) is a measure of schedule performance expressed as the difference between the earned value and the planned value. It is the amount by which the project is ahead or behind the planned delivery date, at a given point in time. It is a measure of schedule performance on a project. It is equal to the earned value (EV) minus the planned value (PV). The EVM schedule variance is a useful metric in that it can indicate when a project is falling behind or is ahead of its baseline schedule.

The EVM schedule variance will ultimately equal zero when the project is completed because all of the planned values will have been earned. Schedule variance is best used in conjunction with critical path method (CPM) scheduling and risk management.

Equation: SV = EV – PV

QUESTION 675
After Define Activities and Sequence Activities, the next process is:

A. Estimate Activity Resources.
B. Estimate Activity Durations.
C. Develop Schedule.

D. Control Schedule.

Correct Answer: A

Explanation:

6. Project Time Management
6.1 Plan Schedule Management
6.2 Define Activities
6.3 Sequence Activities
6.4 Estimate Activity Resources
6.5 Estimate Activity Durations
6.6 Develop Schedule
6.7 Control Schedule

QUESTION 676
Which risk response strategy is common for both positive and negative risks?

A. Share
B. Accept
C. Mitigate
D. Transfer

Correct Answer: B

QUESTION 677
Risk responses reflect an organization's perceived balance between:

A. risk taking and risk avoidance.
B. known risk and unknown risk.
C. identified risk and analyzed risk.
D. varying degrees of risk.

Correct Answer: A

QUESTION 678
The three processes of Project Cost Management are:

A. Estimate Costs, Control Schedule, and Control Costs.
B. Estimate Costs, Determine Budget, and Estimate Activity Resources.
C. Determine Budget, Control Schedule, and Estimate Activity Resources.
D. Estimate Costs, Determine Budget, and Control Costs.

Correct Answer: D

Explanation:
7. Project Cost Management
7.1 Plan Cost Management
7.2 Estimate Costs
7.3 Determine Budget
7.4 Control Costs

QUESTION 679
Which of the following is an output of the Conduct Procurements process?

A. Project statement of work
B. Selected sellers
C. Risk register updates
D. Teaming agreements

Correct Answer: B

Explanation:
Selected Sellers

The selected sellers are those who have been judged to be in a competitive range based upon the outcome of the proposal or bid evaluation, and who have negotiated a draft contract that will become the actual contract when an award is made. Final approval of all complex, high-value, high-risk procurements will generally require organizational senior management approval prior to award.

Process: Conduct Procurements

Definition: The process of obtaining seller responses, selecting a seller, and awarding a contract.
Key Benefit: The key benefit of this process is that it provides alignment of internal and external stakeholder expectations through established agreements.

Inputs
1. Procurement management plan
2. Procurement documents
3. Source selection criteria
4. Seller proposals

5. Project documents
6. Make-or-buy decisions
7. Procurement statement of work
8. Organizational process assets

Tools & Techniques
1. Bidder conference
2. Proposal evaluation techniques
3. Independent estimates
4. Expert judgment
5. Advertising
6. Analytical techniques
7. Procurement negotiations

Outputs
1. .Selected sellers
2. .Agreements

3. Resource calendars
4. Change requests
5. Project management plan updates
6. Project documents updates

QUESTION 680
The technique of subdividing project deliverables into smaller, more manageable components until the work and deliverables are defined to the work package level is called:

A. a control chart.
B. baseline.
C. Create WBS.

D. decomposition.

Correct Answer: D

Explanation:
Decomposition

Decomposition is a technique used for dividing and subdividing the project scope and project deliverables into smaller, more manageable parts. The work package is the work defined at the lowest level of the WBS for which cost and duration can be estimated and managed.

The level of decomposition is often guided by the degree of control needed to effectively manage the project. The level of detail for work packages will vary with the size and complexity of the project. Decomposition of the total project work into work packages generally involves the following activities:
Identifying and analyzing the deliverables and related work; Structuring and organizing the WBS;
Decomposing the upper WBS levels into lower-level detailed components;
Developing and assigning identification codes to the WBS components; and
Verifying that the degree of decomposition of the deliverables is appropriate.

QUESTION 681
Which baselines make up the performance measurement baseline?

A. **Scope baseline, cost baseline, and schedule baseline**
B. Scope baseline, project management baseline, and quality baseline
C. Cost baseline, schedule baseline, and risk baseline
D. Cost baseline, project management baseline, and schedule baseline

Correct Answer: A

Explanation:
Performance Measurement Baseline (PMB). An approved, integrated scope-schedule-cost plan for the project work against which project execution is compared to measure and manage performance. The PMB includes contingency reserve, but excludes management reserve.

QUESTION 682
The application of knowledge, skills, tools, and techniques to project activities to meet project requirements describes management of which of the following?

A. **Project**
B. Scope
C. Contract
D. Program

Correct Answer: A

Explanation:

 What is Project Management?

Project management is the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements. Project management is accomplished through the appropriate application and integration of the 47 logically grouped project management processes, which

are categorized into fve Process Groups. These five Process Groups are:

Initiating, Planning, Executing, Monitoring and Controlling, and Closing.

QUESTION 683
Prototype development may be used as a tool for which of the following risk response strategies?

A. Avoid
B. Accept
C. Mitigate
D. Exploit

Correct Answer: C

Explanation:
Strategies for Negative Risks or Threats

Three strategies, which typically deal with threats or risks that may have negative impacts on project objectives if they occur, are: avoid, transfer, and mitigate. The fourth strategy, accept, can be used for negative risks or threats as well as positive risks or opportunities. Each of these risk response strategies have varied and unique influence on the risk condition.

These strategies should be chosen to match the risk's probability and impact on the project's overall objectives. Avoidance and mitigation strategies are usually good strategies for critical risks with high impact, while transference and acceptance are usually good strategies for threats that are less critical and with low overall impact. The four strategies for dealing with negative risks or threats are further described as follows:

Avoid: Risk avoidance is a risk response strategy whereby the project team acts to eliminate the threat or protect the project from its impact. It usually involves changing the project management plan to eliminate the threat entirely. The project manager may also isolate the project objectives from the risk's impact or change the objective that is in jeopardy.

Examples of this include extending the schedule, changing the strategy, or reducing scope. The most radical avoidance strategy is to shut down the project entirely. Some risks that arise early in the project can be avoided by clarifying requirements, obtaining information, improving communication, or acquiring expertise.

Transfer: Risk transference is a risk response strategy whereby the project team shifts the impact of a threat to a third party, together with ownership of the response. Transferring the risk simply gives another party responsibility for its management—it does not eliminate it. Transferring does not mean disowning the risk by transferring it to a later project or another person without his or her knowledge or agreement. Risk transference nearly always involves payment of a risk premium to the party taking on the risk. Transferring liability for risk is most effective in dealing with financial risk exposure.

Transference tools can be quite diverse and include, but are not limited to, the use of insurance, performance bonds, warranties, guarantees, etc. Contracts or agreements may be used to transfer liability for specified risks to another party. For example, when a buyer has capabilities that the seller does not possess, it

may be prudent to transfer some work and its concurrent risk contractually back to the buyer. In many cases, use of a cost-plus contract may transfer the cost risk to the buyer, while a fixed-price contract may transfer risk to the seller.

Mitigate: Risk mitigation is a risk response strategy whereby the project team acts to reduce the probability of occurrence or impact of a risk. It implies a reduction in the probability and/or impact of an adverse risk to be within acceptable threshold limits. Taking early action to reduce the probability and/or impact of a risk occurring on the project is often more effective than trying to repair the damage after the risk has occurred.

Adopting less complex processes, conducting more tests, or choosing a more stable supplier are examples of mitigation actions. Mitigation may require prototype development to reduce the risk of scaling up from a bench- scale model of a process or product. Where it is not possible to reduce probability, a mitigation response might address the risk impact by targeting linkages that determine the severity. For example, designing redundancy into a system may reduce the impact from a failure of the original component.

Accept: Risk acceptance is a risk response strategy whereby the project team decides to acknowledge the risk and not take any action unless the risk occurs. This strategy is adopted where it is not possible or cost- effective to address a specific risk in any other way. This strategy indicates that the project team has decided not to change the project management plan to deal with a risk, or is unable to identify any other suitable response strategy.

This strategy can be either passive or active. Passive acceptance requires no action except to document the strategy, leaving the project team to deal with the risks as they occur, and to periodically review the threat to ensure that it does not change significantly. The most common active acceptance strategy is to establish a contingency reserve, including amounts of time, money, or resources to handle the risks.

QUESTION 684
Which index is the calculated projection of cost performance that must be achieved on the remaining work to meet a specified management goal?

A. Estimate at completion
B. Cost performance
C. Schedule performance
D. To-complete performance

Correct Answer: D

QUESTION 685
A tool and technique used during the Collect Requirements process is:

A. prototypes.
B. expert judgment.
C. alternatives identification.
D. product analysis.

Correct Answer: A

Explanation:
Process: Collect Requirements

Definition: The process of determining, documenting, and managing stakeholder needs and requirements to meet project objectives.

Key Benefit: The key benefit of this process is that it provides the basis for defining and managing the project scope including product scope.

Inputs
1. Scope management plan
2. Requirements management plan
3. Stakeholder management plan
4. Project charter
5. Stakeholder register

Tools & Techniques

1. Interviews
2. Focus groups
3. Facilitated workshops
4. Group creativity techniques
5. Group decision-making techniques
6. Questionnaires and surveys
7. Observations
8. Prototypes
9. Benchmarking
10. Context diagrams
11. Document analysis

Outputs
1. Requirements documentation
2. Requirements traceability matrix

QUESTION 686
One of the objectives of a quality audit is to:

A. highlight the need for root cause analysis.
B. share the process documentation among stakeholders.
C. offer assistance with non-value-added activities.
D. identify all of the gaps or shortcomings.

Correct Answer: D

QUESTION 687
While preparing the project management plan on a weekly basis, the project manager indicates the intention to provide an issues report to the staff via e-mail. In which part of the plan will this type of information be included?

A. Communications management plan
B. Human resource plan
C. Quality management plan
D. Procurement management plan

Correct Answer: A

Explanation:
 Communications Management Plan

The communications management plan is a component of the project management plan that describes how project communications will be planned, structured, monitored, and controlled. The plan contains the following information:

Stakeholder communication requirements; Information to be communicated, including language, format, content, and level of detail; Reason for the

distribution of that information;

Time frame and frequency for the distribution of required information and receipt of acknowledgment or response, if applicable; Person responsible for communicating the information;

Person responsible for authorizing release of confidential refining information; Person or groups who will receive the information; Methods or technologies used to convey the information, such as memos, e-mail, and/or press releases; Resources allocated for communication activities, including time and budget; Escalation process identifying time frames and the management chain (names) for escalation of issues that cannot be resolved at a lower staff level; Method for updating and refining the communications management plan as the project progresses and develops; Glossary of common terminology; Flow charts of the information flow in the project, workflows with possible sequence of authorization, list of reports, and meeting plans, etc.; and Communication constraints usually derived from a specific legislation or regulation, technology, and organizational policies, etc.

The communications management plan can also include guidelines and templates for project status meetings, project team meetings, e-meetings, and e-mail messages. The use of a project website and project management software can also be included if these are to be used in the project.

QUESTION 688
Which tool or technique can a project manager use to select in advance a team member who will be crucial to the task?

A. Acquisition
B. Negotiation
C. Virtual team
D. Pre-assignment

Correct Answer: D

Explanation:
Pre-assignment

When project team members are selected in advance, they are considered pre-assigned. This situation can occur if the project is the result of specific people being identified as part of a competitive proposal, if the project is dependent upon the expertise of particular persons, or if some staff assignments are defined within the project charter.

QUESTION 689
Which of the following is a group decision-making technique?

A. Brainstorming
B. Focus groups
C. Affinity diagram
D. Plurality

Correct Answer: D

QUESTION 690
Which statement correctly describes the value of a business case?

A. It provides the necessary information to determine if a project is worth the required investment.
B. It provides for alternative dispute resolution procedures in event of contract default.
C. It offers one of several alternative scenarios which assist in performing qualitative risk analysis.
D. It is used to help a project manager understand the scope of commercial advantages.

Correct Answer: A

Explanation:
Business Case

The business case or similar document describes the necessary information from a business standpoint to determine whether or not the project is worth the required investment. It is commonly used for decision making by managers or executives above the project level.

Typically, the business need and the cost-benefit analysis are contained in the business case to justify and establish boundaries for the project, and such analysis is usually completed by a business analyst using various stakeholder inputs. The sponsor should agree to the scope and limitations of the business case. The business case is created as a result of one or more of the following:

Market demand (e.g., a car company authorizing a project to build more fuel-efficient cars in response to gasoline shortages), Organizational need (e.g., due to high overhead costs a company may combine staff functions and streamline processes to reduce costs.), Customer request (e.g., an electric utility authorizing a project to build a new substation to serve a new industrial park), Technological advance (e.g., an airline authorizing a new project to develop electronic tickets instead of paper tickets based on technological advances), Legal requirement (e.g., a paint manufacturer authorizing a project to establish guidelines for handling toxic materials), Ecological impacts (e.g., a company authorizing a project to lessen its environmental impact), or Social need (e.g., a nongovernmental organization in a developing country authorizing a project to provide potable water systems, latrines, and sanitation education to communities suffering from high rates of cholera).

Each of the examples in this list may contain elements of risk that should be addressed. In the case of multiphase projects, the business case may be periodically reviewed to ensure that the project is on track to deliver the business benefits. In the early stages of the project life cycle, periodic review of the business case by the sponsoring organization also helps to confirm that the project is still aligned with the business case. The project manager is responsible for ensuring that the project effectively and efficiently meets the goals of the organization and those requirements of a broad set of stakeholders, as defined in the business case.

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QUESTION 691
Which of the following includes how requirements activities will be planned, tracked, and reported?

A. Configuration management plan
B. Scope baseline
C. Requirements management plan
D. Schedule baseline

Correct Answer: C

Explanation:
 Requirements Management Plan

The requirements management plan is a component of the project management plan that describes how requirements will be analyzed, documented, and managed. The phase-to-phase relationship, described in Section 2.4.2.1, strongly influences how requirements are managed. The project manager

chooses the most effective relationship for the project and documents this approach in the requirements management plan.

Many of the requirements management plan components are based on that relationship. Components of the requirements management plan can include, but are not limited to:

• How requirements activities will be planned, tracked, and reported;
• Configuration management activities such as: how changes to the product will be initiated, how impacts will be analyzed, how they will be traced, tracked, and reported, as well as the authorization levels required to approve these changes;
• Requirements prioritization process;
• Product metrics that will be used and the rationale for using them; and
• Traceability structure to reflect which requirement attributes will be captured on the traceability matrix.

QUESTION 692
Which type of dependency is contractually required or inherent in the nature of the work?

A. External
B. Lead
C. Discretionary
D. Mandatory

Correct Answer: D

Explanation:
 Dependency Determination
Dependencies may be characterized by the following attributes: mandatory or discretionary, internal or external, as described below. Dependency has four

attributes, but two can be applicable at the same time in following ways: mandatory external dependencies, mandatory internal dependencies, discretionary external dependencies, or discretionary internal dependencies. Mandatory dependencies.

Mandatory dependencies are those that are legally or contractually required or inherent in the nature of the work. Mandatory dependencies often involve physical limitations, such as on a construction project, where it is impossible to erect the superstructure until after the foundation has been built, or on an electronics project, where a prototype has to be built before it can be tested.

Mandatory dependencies are also sometimes referred to as hard logic or hard dependencies. Technical dependencies may not be mandatory. The project team determines which dependencies are mandatory during the process of sequencing the activities. Mandatory dependencies should not be confused with assigning schedule constraints in the scheduling tool.

Discretionary dependencies. Discretionary dependencies are sometimes referred to as preferred logic, preferential logic, or soft logic. Discretionary dependencies are established based on knowledge of best practices within a particular application area or some unusual aspect of the project where a specific sequence is desired, even though there may be other acceptable sequences. Discretionary dependencies should be fully documented since they can create arbitrary total float values and can limit later scheduling options.

When fast tracking techniques are employed, these discretionary dependencies should be reviewed and considered for modification or removal. The project

team determines which dependencies are discretionary during the process of sequencing the activities.
External dependencies. External dependencies involve a relationship between project activities and non- project activities.

These dependencies are usually outside the project team's control. For example, the testing activity in a software project may be dependent on the delivery of hardware from an external source, or governmental environmental hearings may need to be held before site preparation can begin on a construction project. The project management team determines which dependencies are external during the process of sequencing the activities.

Internal dependencies: Internal dependencies involve a precedence relationship between project activities and are generally inside the project team's control. For example, if the team cannot test a machine until they assemble it, this is an internal mandatory dependency. The project management team determines which dependencies are internal during the process of sequencing the activities.

QUESTION 693
The contract in which the seller is reimbursed for all allowable costs for performing the contract work and then receives a fee based upon achieving certain performance objectives is called a:

A. Cost Plus Incentive Fee Contract (CPIF).
B. Cost Plus Fixed Fee Contract (CPFF).
C. Fixed Price Incentive Fee Contract (FPIF).
D. Time and Material Contract (T&M).

Correct Answer: A

QUESTION 694
The process improvement plan details the steps for analyzing processes to identify activities which enhance their:
A. quality.
B. value.
C. technical performance.
D. status.

Correct Answer: B

Explanation:
Process Improvement Plan
The process improvement plan is a subsidiary or component of the project management plan. The process improvement plan details the steps for analyzing project management and product development processes to identify activities that enhance their value.
Areas to consider include:

Process boundaries. Describe the purpose of the process, the start and end of the process, its inputs and outputs, the process owner, and the stakeholders of the process.
Process configuration. Provides a graphic depiction of processes, with interfaces identified, used to facilitate analysis.

Process metrics. Along with control limits, allows analysis of process efficiency. Targets for improved performance. Guide the process improvement activities.

QUESTION 695
When cost variance is negative and schedule variance is positive, the project is:
A. under budget and behind schedule.

B. over budget and ahead of schedule.

C. on schedule.
D. complete; all planned values have been earned.

Correct Answer: B

QUESTION 696
Which of the following is an estimating technique that uses the values of parameters from previous similar projects for estimating the same parameter or measure for a current project?

A. Reserve analysis
B. Three-point estimating
C. Parametric estimating
D. Analogous estimating

Correct Answer: D

Analogous Estimating
Analogous cost estimating uses the values such as scope, cost, budget, and duration or measures of scale such as size, weight, and complexity from a previous, similar project as the basis for estimating the same parameter or measurement for a current project. When estimating costs, this technique relies on the actual cost of previous, similar projects as the basis for estimating the cost of the current project. It is a gross value estimating approach, sometimes adjusted for known differences in project complexity.

Analogous cost estimating is frequently used to estimate a value when there is a limited amount of detailed information about the project, for example, in the early phases of a project. Analogous cost estimating uses historical information and expert judgment

QUESTION 697
The group technique that enhances brainstorming with a voting

process used to rank the most useful ideas for prioritization is called the:

A. majority rule technique.
B. nominal group technique.
C. Delphi technique,
D. idea/mind mapping technique.

Correct Answer: B

Explanation:
Group Creativity Technique

Several group activities can be organized to identify project and product requirements. Some of the group creativity techniques that can be used are:

Brainstorming: A technique used to generate and collect multiple ideas related to project and product requirements. Although brainstorming by itself does not include voting or prioritization, it is often used with other group creativity techniques that do.

Nominal group technique: A technique that enhances brainstorming with a voting process used to rank the most useful ideas for further brainstorming or for prioritization.
Idea/mind mapping. A technique in which ideas created through individual brainstorming sessions are consolidated into a single map to reflect commonality and differences in understanding, and generate new ideas.

Affinity diagram. A technique that allows large numbers of ideas to be classifed into groups for review and analysis.

Multicriteria decision analysis. A technique that utilizes a decision matrix to provide a systematic analytical approach for establishing criteria, such as risk

levels, uncertainty, and valuation, to evaluate and rank many ideas.

QUESTION 698
At which stage of team development do members begin to work together, adjust work habits, and trust each other?

A. Forming
B. Storming
C. Norming
D. Performing

Correct Answer: C

QUESTION 699
Which of the following can be used as an input for Define Scope?

A. Product analysis
B. Project charter
C. Scope baseline

D. Project scope statement

Explanation:

Project Charter
The project charter is the document issued by the project initiator or sponsor that formally authorizes the existence of a project and provides the project manager with the authority to apply organizational resources to project activities. It documents the business needs, assumptions, constraints, the understanding of the customer's needs and high-level requirements, and the new product, service, or result that it is intended to satisfy, such as:

Project purpose or justification, Measurable project objectives and related success criteria, High-level requirements, Assumptions and constraints, High-level project description and boundaries, High-level risks, Summary milestone schedule, Summary budget, Stakeholder list, Project approval requirements (i.e., what constitutes project success, who decides the project is successful, and who signs off on the project), Assigned project manager, responsibility, and authority level, and Name and authority of the sponsor or other person(s) authorizing the project charter.

Process: Define Scope

Definition: The process of developing a detailed description of the project and product.
Key Benefit: The key benefit of this process is that it describes the product, service, or result boundaries by defining which of the requirements collected will be included in and excluded from the project scope.

Inputs
1. Scope management plan
2. Project charter
3. Requirements documentation
4. Organizational process assets

Tools & Techniques
1. Expert judgment
2. Product analysis
3. Alternatives generation
4. Facilitated workshops

Outputs
1. Project scope statement
2. Project documents updates

QUESTION 700
A project manager has created an issue log to document issues communicated by project team members during weekly team meetings. This is an input of:

A. Manage Stakeholder Expectations.
B. Monitor and Control Risks.
C. Plan Risk Management.
D. Report Performance.

Correct Answer: A

QUESTION 701
Which of the following is a tool and technique used to monitor risk?

A. Technical performance measurement
B. Cost performance baseline
C. Benchmarking
D. Cost of quality

Correct Answer: A

Explanation:
 Technical Performance Measurement

Technical performance measurement compares technical accomplishments during project execution to the schedule of technical achievement. It requires the definition of objective, quantifable measures of technical performance, which can be used to compare actual results against targets.

Such technical performance measures may include weight, transaction times, number of delivered defects, storage capacity, etc. Deviation, such as demonstrating more or less functionality than planned at a milestone, can help to forecast the degree of success in achieving the project's scope.

QUESTION 702
Which of the following is a statistical concept that calculates the average outcome when the future includes scenarios that may or may not happen?

A. Sensitivity analysis
B. Three-point estimate
C. Modeling and simulation
D. Expected monetary value analysis

Correct Answer: D

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