

# PMI

## Exam Questions PfMP

Portfolio Management Professional (PfMP)



#### NEW QUESTION 1

You are the manager for a major industrial portfolio aiming to rebuild the vintage building in your region. Having a tight schedule, a large number of stakeholders including the public, in addition to a strict budget, you know that you will be managing the portfolio closely and that the governance board and the stakeholders would want to check on the progress and status frequently. For this you started to develop a robust Portfolio management plan. Which of the following can be used when starting this process?

- A. Portfolio Management Plan, Portfolio Roadmap, Portfolio Charter, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets
- B. Portfolio, Portfolio Roadmap, Portfolio Charter, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets
- C. Portfolio Strategic Plan, Portfolio Roadmap, Portfolio Charter, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets
- D. Portfolio Reports, Portfolio Roadmap, Portfolio Charter, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets

**Answer: C**

#### NEW QUESTION 2

Developing the Portfolio Management Plan is a major step in a Portfolio and for a Portfolio Manager. You are currently developing this plan and having focus groups and brainstorming activities during which you are using mind-maps diagrams to organize the idea into logical groupings. Which of the below are you using?

- A. Integration Of Portfolio Management Plans
- B. Facilitation Technique
- C. Collaboration Technique
- D. Survey Technique

**Answer: B**

#### NEW QUESTION 3

You have just finalized aggregating value from the ongoing components to present a consolidated report to the governance board, in addition to recommending changes to portfolio and information to enable a better decision making. You are now looking for a place to document updates including new measures, reports and processes for effective ongoing management of the portfolio value. In which of the following documents are these measures included?

- A. Portfolio Management Plan updates
- B. Portfolio Process Assets updates
- C. Portfolio Reports
- D. Portfolio updates

**Answer: A**

#### NEW QUESTION 4

You are mid-way through your portfolio and you are approaching a major milestone where multiple components will be authorized for execution and implementation. For informed decision making, as a portfolio manager, you will be communicating reports that will be viewed and analyzed, and used as critical information for taking a decision for the authorization of components. After passing through the authorization process, multiple reports are generated and others are updated. What type of reports is generated from this process?

- A. Performance
- B. Resources
- C. Value
- D. Resources, Assets and governance decisions

**Answer: D**

#### NEW QUESTION 5

Values assist in guiding actions, evaluations, and decisions. Assume your organization is considering entering into a consortium to produce a heliumcontrolled car. Once the helium is supplied, additional amounts will not be needed. The car is to be personally appealing with a focus on an inexpensive cost to increase marketability. The consortium will enable each firm to capitalize on the expertise of the other firms in it, but the customer will view it as a separate entity. If your organization enters into the consortium, it must justify the value to the portfolio of doing so. In addition to ensure benefits are realized a focus is needed on:

- A. Organizational value
- B. Sustainable value
- C. Managerial value
- D. Employee value

**Answer: C**

#### NEW QUESTION 6

Many people in your country are no longer eating food from cans because of the risk of botulism and eColi O1H747. Your low acid canned foods company is seeing its revenues decrease as a result, and it is updating its overall strategy for the company to diversify into other markets as well as to add an aggressive marketing campaign to ensure the public that its low acid canned foods are generally recognized as safe by the Food and Drug Administration. This means in terms of portfolio management:

- A. Each proposed component must demonstrate business value before it is undertaken
- B. The ROI for existing components should be reviewed to determine if they should continue
- C. The existing inventory of work should be validated against the updated strategy
- D. The benefits to be realized by existing components require standard KPIs tied to critical success factors

**Answer: C**

#### NEW QUESTION 7

In a portfolio, data is an abundant asset, and managing the information aiming for a better decision making is critical. For this you use a variety of Quantitative and Qualitative analysis methods. These methods are performed in 4 of the portfolio management processes and serve a slightly different purpose in each and every one of them. When it comes to the optimizing portfolio, what is the purpose of using this analysis?

- A. Performing Status and trend analysis, Rebalancing methods, Investment choice tools, exposure charts
- B. Performing resource leveling, project sequencing techniques and dependency analysis
- C. Performing Quantitative analysis and Sensitivity analysis
- D. Performing Cost-benefit analysis, quantitative analysis, scenario analysis, probability analysis, SWOT analysis, Market/competitor analysis and business value analysis

**Answer: D**

#### NEW QUESTION 8

You prepared a portfolio risk management plan when you replaced the previous portfolio manager three years ago. However, recent structural and execution risks have affected the portfolio adversely, resulting in lost opportunities and a decrease in overall return on investment. You are updating the risk management plan as now stakeholders can see its value. In doing so, you can use some portfolio process assets such as:

- A. Lessons learned
- B. Portfolio algorithms
- C. Vision statements
- D. Risk categories

**Answer: B**

#### NEW QUESTION 9

Managing risk is key to the success of any initiative. Risk is considered to be inherent in any activity we do in project management and at any level. As part of managing risks, the portfolio manager applies multiple analyzes and uses tools to help dealing with risks. What does the portfolio manager use to visualize risks impact on portfolio strategic objectives such as profitability?

- A. Sensitivity Analysis
- B. Risk Breakdown Structure
- C. Efficient Frontier
- D. Probability and Impact matrix

**Answer: A**

#### NEW QUESTION 10

As soon as you complete the portfolio risk management plan, and you have been working on it now with a team, you realize you need to update some organizational process assets such as:

- A. Risk checklists
- B. Risk register
- C. Lessons learned
- D. Risk interview guide

**Answer: A**

#### NEW QUESTION 10

A big strategic change occurred at the organization level and has impacted multiple portfolios in the organization including yours. The sponsor has asked you to analyze the change and update the needed documents. You managed this change and are currently updating the Portfolio Management Plan. Which of the following are part of this update

- A. Portfolio Organizational Structure
- B. Communication and Performance Management
- C. Stakeholder Engagement
- D. All of the options

**Answer: D**

#### NEW QUESTION 15

The members of your Portfolio Review Board and other key stakeholders tend to be risk adverse as the company has survived recent recessions and is profitable. However, in an upcoming meeting with the corporate Board of Directors, they have asked you to show the frequency of meeting certain cost objectives at various percent points. For example assume the portfolio is to meet a \$41,000 target in the next month, to be 75% confident this will occur, a forecast of \$50,000 is needed. This means you need to show:

- A. The needed contingency reserve
- B. The probability of achieving portfolio objectives
- C. The confidence of meeting success criteria
- D. The values of KPIs with their confidence levels

**Answer: B**

#### NEW QUESTION 18

Communication requirements are analyzed and documented in the portfolio communication management plan to be used by other processes as needed. Which of the processes use this information in order to provide accurate information in a timely manner?

- A. Portfolio Authorization
- B. Manage Portfolio Information
- C. Manage Portfolio Value
- D. Develop Portfolio Communication Management Plan

**Answer:** B

#### NEW QUESTION 23

After three months, you have a list of all the program, project, and ongoing work being done in your 500-person Division of your State Government Agency. With this list, the next step is to:

- A. Determine the prioritization model to follow
- B. Convene a meeting of the Portfolio Review Board
- C. Assess gaps in meeting the Agency's strategic objectives
- D. Prepare a portfolio performance plan

**Answer:** C

#### NEW QUESTION 25

Each year, you update the portfolio roadmap so people within the organization can see component status, interdependencies, constraints, and business value, among other things. This year, however, two major programs in the portfolio were cancelled as they were government contracts, and the government lacked funds to complete them. Your management then had to reduce staffing. These two programs had dependencies with other components in the portfolio. This means that:

- A. The other components may need to be cancelled
- B. The proposed benefits from the other components require analysis to see if they can be realized and sustained
- C. The value measurement criteria for portfolio components require updates
- D. The overall value of the portfolio is affected adversely

**Answer:** D

#### NEW QUESTION 28

There was a change in your portfolio to speed up things resulting in the addition of new components. In order to update the new vision, dependencies and timeline for the components, you should update which of the following?

- A. Portfolio Roadmap
- B. Portfolio Charter
- C. Portfolio Strategic Plan
- D. Portfolio Management Plan

**Answer:** A

#### NEW QUESTION 31

The portfolio manager defines the portfolio based on a listing of already existing work in the organization and selects the right components in order to be able to prioritize them. What do you use for defining the portfolio based on the listing of work?

- A. Prioritization
- B. Inventory of Work
- C. Portfolio Component Inventory
- D. Elicitation technique

**Answer:** C

#### NEW QUESTION 34

Portfolio Governance Model is developed as part of the Portfolio management plan and defines the way the organizational assets and resources are planned to be managed within the portfolio according to the specific environment of the organization. Which of the following is correct regarding the Governance Model purpose and content?

- A. Establishes and tailors the decision-making rights and authorities
- B. Ensures benefits are comprehensively and holistically taken into consideration
- C. Contains criteria to ensure alignment to strategic goals, expected return on investment (ROI), investment risks, and dependencies
- D. All of the options

**Answer:** A

#### NEW QUESTION 36

You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you are coaching your team on the same. You are currently developing the Risk Management Plan. What can you use as inputs to this process?

- A. Portfolio Management Plan, Organizational Process Assets, Portfolio Reports, Enterprise Environmental Factors
- B. Portfolio Management Plan, Portfolio, Portfolio Reports, Enterprise Environmental Factors
- C. Portfolio Management Plan, Organizational Process Assets, Portfolio Process Assets, Enterprise Environmental Factors
- D. Portfolio Management Plan, Organizational Process Assets, Portfolio Process Assets, Portfolio

**Answer:** C

#### NEW QUESTION 40

When initiating portfolio components and terminating other, you come up with updates to budget, funding and resources allocations. Where should these updates be recorded?

- A. Portfolio Process Assets updates
- B. Portfolio Management Plan updates
- C. Portfolio Reports
- D. Portfolio Updates

**Answer: C**

#### NEW QUESTION 41

Assume you are the portfolio manager for a legacy software company. For many years, your company was one of the top five leaders in software development, but as newer and more efficient software was invented, it began to lose market share. Your company then found its services were needed as legacy systems were converted, especially since Cloud computing now is so popular. But it has lost revenues increasingly over the years. To gain market share and provide greater portfolio value, the executive team decided it should:

- A. Focus on channel partnerships
- B. Hire people with competencies in Cloud computing and enter this market
- C. Recognize change takes time but retrain employees to enhance customer satisfaction
- D. Focus on supplier value by partnering agreements

**Answer: A**

#### NEW QUESTION 43

A portfolio manager needs to continuously balance the need and requirements with the available resources to maintain a balanced portfolio and portfolio resources in order to optimize delivery. Capability and Capacity analysis is performed in 4 of the portfolio management processes and it serves a slightly different purpose in each and every one of them. When it relates to the organization level. This analysis comprises which of the following?

- A. Risk Tolerance
- B. Assets
- C. Financials
- D. Human Resources

**Answer: A**

#### NEW QUESTION 46

A junior Portfolio manager has come to you for advice. He is hearing a lot about the definition of portfolio management, however, he is not sure anymore of the exact one. What do you, as an experienced portfolio manager tell him?

- A. In a portfolio, the Portfolio manager follows the portfolio management processes linearly and does not need to repeat a process once finished
- B. Generally, you have a single portfolio in an organization, and all other portfolios are sub- portfolios of it
- C. A portfolio is a component collection of programs, projects, or operations managed as a group to achieve strategic objectives
- D. A portfolio has clear start and end dates in order for the organization to be able to know when to achieve its strategic objectives

**Answer: C**

#### NEW QUESTION 48

You have already created portfolio scenarios (what-if analysis) by reviewing components against prioritization criteria and using analysis techniques (e.g., options analysis, risk analysis, SWOT analysis, financial analysis). You now want to recommend portfolio scenario(s) and related components, based on prioritization analysis/criteria. You are doing this in order to

- A. Provide a guiding framework to operationalize the organizational strategic goals and objectives
- B. Evaluate and select viable options
- C. Create a basis for decision making
- D. Provide governance with a rationale for decision making

**Answer: D**

#### NEW QUESTION 53

While Optimizing your portfolio, you need to present to the governance board how your components will be ranked and balanced in a quantifiable way. How will you do this?

- A. Graphical analytical methods
- B. Value measurement and scoring
- C. Scenario Analysis
- D. Weighted ranking and scoring

**Answer: D**

#### NEW QUESTION 58

One of your components' managers came to you stating that she cannot find a key stakeholder by email and if she cannot find him, a major decision will be delayed, thus affecting the entire portfolio. What should you, as a portfolio manager do?

- A. Tell her that she needs to try to send him one more e-mail, and in the case the problem persists, she needs to send him a formal letter
- B. Tell her that she needs to carefully monitor this risk
- C. Tell her that she needs to escalate this issue directly to the executive management

D. Go and meet this stakeholder face to face and collaborate with him to solve this communication issue

**Answer:** D

#### NEW QUESTION 61

You are the portfolio manager for your military-vehicle service firm, which has been in existence for 20 years. You have a number of components under way, and others in the pipeline. One component involves a new gas detection system, which uses new technology. It has interfaces with two other existing components plus one in development. Recently, a simulator, used by three components, had to be shut down completely as it was leaking nitrogen and could lead to asphyxiation. You reported it immediately to the Hazardous Materials and Pipeline Safety Administration. This is an example of a:

- A. Execution risk
- B. Structural risk
- C. Critical incident
- D. Known unknown

**Answer:** A

#### NEW QUESTION 63

Portfolio Prioritization Model is included in the Portfolio management plan and Portfolio Strategic Plan. How does it serve the Portfolio as part of the Portfolio Strategic Plan?

- A. All of the options
- B. Ensures benefits are comprehensively and holistically taken into consideration
- C. Guides the ongoing decisions as to which portfolio components should be added, terminated, or changed
- D. Used as a decision framework to structure the portfolio components

**Answer:** D

#### NEW QUESTION 67

In a portfolio, data is an abundant asset, and managing the information aiming for a better decision making is critical. Which of the following are considered outputs to the Manage Portfolio Information process?

- A. Portfolio Process Assets updates, Portfolio Roadmap updates, Portfolio updates, Portfolio Management Plan updates, Enterprise Environmental Factors updates
- B. Portfolio Process Assets updates, Portfolio Management Plan updates, Portfolio Reports
- C. Portfolio Process Assets updates, Portfolio Charter updates, Portfolio updates, Portfolio Management Plan updates, Enterprise Environmental Factors updates
- D. Portfolio Process Assets updates, Portfolio Charter updates, Portfolio Reports updates, Portfolio Management Plan updates, Portfolio Component Reports updates

**Answer:** B

#### NEW QUESTION 70

Managing risk is key to the success of any initiative. Risk is considered to be inherent in any activity we do in project management and at any level. Risk is incorporated in all process groups as well. As a portfolio manager, how do you map the risk management elements to process groups?

- A. Risk Planning (Defining) - Risk Assessment & Response (Aligning)
- B. Risk Assessment (Defining) - Risk Planning (Aligning) - Risk Response (Authorizing & Controlling)
- C. Risk Planning (Defining) - Risk Assessment (Aligning) - Risk Response (Authorizing & Controlling)
- D. Risk Planning (Defining) - Risk Assessment (Planning) - Risk Response (Authorizing & Controlling)

**Answer:** C

#### NEW QUESTION 71

You have set a series of meetings with your portfolio team members as an answer to the identification and update of the organization near-term budget and plans. As a result you have defined and developed the portfolio strategic goals, near-term budgets, and plans, and you now want to start managing ongoing portfolio activities. What is the focus of what you are doing?

- A. Authorizing the portfolio
- B. All of the options
- C. Achieving Results
- D. Initiating the portfolio

**Answer:** C

#### NEW QUESTION 72

You are managing a large portfolio and know that you will need to constantly show the progress and status of the portfolio in meeting. For this you have developed a robust roadmap using BI tools. The Portfolio Roadmap is an important document that is referenced throughout the portfolio life cycle. Which of the following is correct regarding the Portfolio Roadmap purpose and focus?

- A. High-level prioritization mapping of the portfolio
- B. Corresponds to the means to the ??to-be?? vision
- C. Can be used to influence the portfolio??s success
- D. Forecasts how and when the portfolio will deliver value to the organization

**Answer:** A



#### NEW QUESTION 74

In managing strategic change, the portfolio manager performs stakeholder analysis in order to consider the changing requirements. Which of the following options is referenced in this case to provide guidance on the communication required to ensure successful change?

- A. Portfolio Strategic Plan
- B. Portfolio Management Plan
- C. Portfolio Roadmap
- D. Portfolio Charter

**Answer: B**

#### NEW QUESTION 77

You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you are coaching your team on the same. You started with developing the plan that will be used as guideline for the component plans to manage risks at their level. What are the outputs of this plan?

- A. Portfolio Management Plan updates, Portfolio updates, Portfolio Reports, Enterprise Environmental Factors updates
- B. Portfolio Management Plan updates, Organizational Process Assets updates, Portfolio Process Assets updates
- C. Portfolio Management Plan updates, Organizational Process Assets updates, Portfolio Reports, Enterprise Environmental Factors updates
- D. Portfolio Management Plan updates, Organizational Process Assets updates, Portfolio Process Assets updates, Portfolio updates

**Answer: B**

#### NEW QUESTION 82

Managing Strategic Change is an integral part of any portfolio in order to remain aligned with the strategic objectives. Your portfolio has undergone a major strategic change and you are currently determining the volume of work required to do in order to re-align the portfolio. What are you currently using?

- A. Change Analysis
- B. Gap Analysis
- C. Readiness Assessment
- D. Stakeholder Analysis

**Answer: B**

#### NEW QUESTION 87

A new portfolio manager in your organization is currently preparing his portfolio charter and has come to you asking advice about what should be present in charter

- A. Justification, Scenario Analysis, Capability & Capacity Analysis
- B. Key dependencies, critical success criteria, high-level timelines
- C. All internal and external dependencies, components fixed timelines
- D. Justification, Scenario Analysis

**Answer: B**

#### NEW QUESTION 89

A problem related to internal corruption has occurred in your company. The CEO has setup a new management team and had to do budget cuts until the situation is stabilized. Your portfolio is highly affected by this budget cut and you were obliged to cancel a few components. What is your best course of action in this case?

- A. Cancel the components that are not performing well
- B. Do not cancel components; and request additional budget from the management
- C. Prioritize components and assign the available resources to them
- D. Raise the issue to the sponsor so he can get you additional resources

**Answer: C**

#### NEW QUESTION 90

When developing the charter, you will use multiple inputs and documents of which the portfolio Strategic Plan is one. How is the strategic plan used in this case?

- A. It is not an input to this process
- B. The Portfolio Structure and Portfolio Manager's Authorizations are copied from the Portfolio Strategic Plan as is and incorporated in the Charter
- C. It is updated based on the output of the Develop portfolio charter process
- D. The prioritization model is used as a decision framework to structure the portfolio components

**Answer: D**

#### NEW QUESTION 92

Assume at this point as the portfolio manager in your mattress company, you are activating portfolio components, updating portfolio reports, and documenting the decisions made at the recent Portfolio Governance Committee meeting as the company moves into new markets. You are therefore:

- A. Communicating decisions to all stakeholders
- B. Maintaining a decision log from the Committee meeting
- C. Updating the portfolio strategic plan
- D. Authorizing the portfolio

**Answer: D**

#### NEW QUESTION 93

Assume your pork producing company finds that there is an over-abundance of pork products and competitors in the marketplace even though it has had to implement Hazard Analysis and Critical Control Point (HACCP) processes that are a regulatory requirement. Profits are lower than ever before in the history of the company. Management is changing the company's strategy to also focus on seafood products. You have been asked to complete a gap analysis to:

- A. Determine resource capacity
- B. Assess risks with this change
- C. Compare the current portfolio mix with that with this change
- D. Determine any requirements that must be addressed before the change is implemented

**Answer: C**

#### NEW QUESTION 95

Assume you are co-owner of a small consulting firm. Previously, you worked as a managing partner in one of the larger consulting firms in your country that had a defined portfolio management process to determine key opportunities to pursue to focus not solely on proposal win ratio but to aggressively emphasize capture ratio. Now in your new company in terms of portfolio management, the best practice to follow is to:

- A. Work with your business partner in terms of portfolio management
- B. Have your Board of Directors serve as a Portfolio Review Board
- C. Involve your business partner plus the firm's subject matter experts in portfolio decisions
- D. Set up an independent group of advisors to meet quarterly as a Portfolio Review Board

**Answer: A**

#### NEW QUESTION 100

The Monitor Portfolio Value process, while ongoing, has proved to be successful as you work to implement portfolio management. Within six months, you were able to show the usefulness of a simple scoring model to the Oversight Group, and they requested a more sophisticated approach in which weights could be assigned to criteria. This shows:

- A. An acceptance of portfolio management in the organization
- B. The usefulness of the portfolio roadmap
- C. A link between using scoring models and benefits analysis
- D. The importance of documenting lessons learned

**Answer: D**

#### NEW QUESTION 102

You have been assigned as the manager for a major transformation portfolio in your company. You are acquiring the position due to the failure of the previous manager and the strategic importance of the portfolio. You start by consulting the portfolio strategic plan. What do you expect finding in that plan?

- A. Allocation of funds and resources for different types of initiatives and how these contribute to the organization's objectives
- B. Governance model
- C. Managing strategic changes
- D. Scope of the portfolio and the initial list of primary internal and external portfolio stakeholders

**Answer: A**

#### NEW QUESTION 107

You are managing a portfolio for your company and are trying to balance the tasks that will be done internally based on the availability and the ones that will be outsourced. Managing supply and demand is a recurring activity in the portfolio life cycle and results in changes in resource utilization and resource efficiency. Where is this type of results normally found?

- A. Resource Pools
- B. Portfolio Process Assets
- C. Portfolio Reports
- D. Portfolio Management plan

**Answer: A**

#### NEW QUESTION 110

Assume you are responsible for portfolio management in your organization. You are responsible for managing the value of the portfolio and for recommending changes to your Portfolio Review Board to enhance its value. To do so, you monitor benefits, interdependencies between components, changes, and responsibilities and accountabilities as stated in the:

- A. Portfolio charter
- B. Portfolio management plan
- C. Portfolio performance plan
- D. Portfolio strategic plan

**Answer: B**

#### NEW QUESTION 113

Along your portfolio lifecycle, you have been conducting multiple review meetings to ensure continuation from one phase to another and to ensure the alignment and value delivery, in addition to communicating decisions and valuable information to the related stakeholders. Changes to the approach of portfolio governance may be a result of review meetings. Which of the following options include updates to the governance model?

- A. Portfolio Management Plan updates



- B. Portfolio Process Assets updates
- C. Portfolio Reports
- D. Portfolio Strategic Plan updates

**Answer:** A

#### NEW QUESTION 116

You have been newly appointed as a portfolio manager and found out that your predecessor did not develop a Portfolio Risk Management plan as he thought that it is not necessary in the case where he has a risk register. One of your first activities was to develop the missing plan. To do this, you needed to consult with stakeholders in order to fetch risk information in order to identify risks and plan risk management. Which of the following inputs to this process will help you in identifying which stakeholders to analyze?

- A. Portfolio Process Assets
- B. Portfolio Communication Management Plan
- C. Portfolio Risk Management Plan
- D. Elicitation technique

**Answer:** B

#### NEW QUESTION 120

While a variety of prioritization approaches are available and are useful in portfolio management and many software packages support the various approaches, it is important to recognize:

- A. Resource constraints
- B. Mandatory criteria
- C. Allocation of funds across categories based on business value
- D. Methods to determine which components should receive the highest priority

**Answer:** B

#### NEW QUESTION 121

When managed correctly, the balanced scorecards can change the way an organization does business. Balanced scorecards keep focus on results. Which of the following are factors that can be targeted by the Balanced Scorecards method?

- A. Product Manufacturing, core competencies, response times, maintenance costs, shareholder value
- B. Reward, Leveraging Skills, Leveraging Information Systems, core competencies
- C. Product Manufacturing, core competencies, response times, reward, shareholder value
- D. Learning & Growth, Internal Process, Customer, Financial, Reward, maintenance costs, market value, supplier value

**Answer:** A

#### NEW QUESTION 124

As a portfolio manager, you have been reporting the progress, status and performance regularly and you have been doing a good job so far. Reports are the primary documents to communicate portfolio status and be able to balance the mix of portfolio components to best align with objectives. When it comes to optimizing a portfolio, how can risk reports be used?

- A. To be able to analyze occurred risks and cancel any component who has an increased risk
- B. To be able to define the organization risk tolerance and update the Strategic Plan accordingly
- C. To know about major risks and occurred issues in relation with the portfolio components
- D. To assess achieved value and the confidence level in it

**Answer:** C

#### NEW QUESTION 128

As part of the governance function, the governance board members are required to be present in the portfolio review meeting in order to know the status of the portfolio and be able to take decisions on pending points. When it comes to review meetings, which of the following is valid?

- A. Formal and recurring governance board meetings
- B. Formal and held when needed to take decisions regarding the portfolio
- C. Non-recurring and informal meetings that allow the governance board to check on the portfolio's health and take actions when needed
- D. Meeting between the functional managers and the governance board in order to discuss financial points i.
- E. funding, etc.

**Answer:** A

#### NEW QUESTION 131

As a portfolio manager, you know that optimizing a portfolio has the focus of maintaining a balanced portfolio. When optimizing a portfolio, what is the state of the portfolio components that will be balanced?

- A. Selected
- B. Identified
- C. Scored And Ranked
- D. Prioritized

**Answer:** D

#### NEW QUESTION 133

Information and direction about the organization's vision, mission, prioritization, and resources should be obtained before the portfolio's strategic plan is developed by reviewing:

- A. Knowledge repositories
- B. Portfolio roadmap
- C. Organizational process assets
- D. Governance model

**Answer: C**

#### NEW QUESTION 134

Assume your company is a leading producer of AA and AAA batteries. However, it is a competitive market, and customers desire batteries with a longer life and a smaller size so they will not require replacement. As you set up categories for portfolio components, you will continue to produce your current product line as well as pursue advanced products to meet customer needs. A useful component category, therefore, is:

- A. Benefits
- B. Business imperatives
- C. Stakeholders
- D. Technology capabilities

**Answer: B**

#### NEW QUESTION 138

In a portfolio, data is an abundant asset, and managing the information aiming for a a better decision making is critical. For this you use a variety of Quantitative and Qualitative analysis methods. These methods are performed in 4 of the portfolio management processes and serve a slightly different purpose in each and every one of them. Considering that you are currently working to ensure resource capacity is optimally allocated against resource requirements or demand based on known organizational priorities and potential value, how can you make use of the quantitative and qualitative analysis?

- A. Performing Status and trend analysis, Re-balancing methods, Investment choice tools, exposure charts
- B. Performing Quantitative analysis and Sensitivity analysis
- C. Performing Cost-benefit analysis, quantitative analysis, scenario analysis, probability analysis, SWOT analysis, Market/competitor analysis and business value analysis
- D. Performing resource leveling, project sequencing techniques and dependency analysis

**Answer: D**

#### NEW QUESTION 141

Along your portfolio lifecycle, you have been conducting multiple review meetings to ensure continuation from one phase to another and to ensure the alignment and value delivery, in addition to communicating decisions and valuable information to the related stakeholders. When it comes to decisions and actions taken by the governance board as a result of these meetings, they are communicated through

- A. Portfolio Reports
- B. Portfolio Updates
- C. Portfolio Management Plan Updates
- D. Portfolio Process Assets Updates

**Answer: A**

#### NEW QUESTION 146

Initiatives in the companies aim to deliver values. For a portfolio, the value is delivered through a mix of components with similar strategic goals and objectives. Multiple components can contribute in the realization of the same organizational value. While managing the portfolio value, how do you depict the relationships between components in achieving value?

- A. Cumulative distribution
- B. Cause and effect relationships between the portfolio components that are needed to deliver planned benefits
- C. Outcome probability analysis
- D. Set realistic targets in line with stakeholder risk tolerances

**Answer: B**

#### NEW QUESTION 147

Your health insurance company has set up its portfolio into five different categories: research and development, IT, Medicare, government health insurance, and non- government health insurance. Funding is allocated yearly to each of these six categories. As the portfolio manager at the enterprise level, you:

- A. Ensure such allocations are reflected in the portfolio's strategic plan
- B. Meet with the CFO and determine these allocations when the budget for the fiscal year is being prepared
- C. Meet with the managers of the five portfolios once the budget allocations are known
- D. Use your existing inventory of components in the portfolio and in the pipeline to determine funding allocations

**Answer: A**

#### NEW QUESTION 150

Assume your airline just merged with a competitor, making it the largest in the country. Your company has a defined portfolio management process in place, which is considered effective by your executives. The other airline uses a more informal approach. Executives from both airlines now have different philosophies concerning new work to be pursued to be the leading airline in the country. In terms of the Authorize Portfolio process, this means:

- A. The complete portfolio process will require changes
- B. The portfolio requirements should be evaluated
- C. The portfolio management information systems will require consolidation
- D. An outsider should be hired as the portfolio manager for objectivity

**Answer: B**

#### NEW QUESTION 155

Assume you are the portfolio manager for your pork producing company, the market leader in your country. Over time, the industry has recovered from trichinosis as a risk. Your company has added new components to its portfolio, and many have been to demonstrate to the public that its products are safe. It implemented the Agriculture Department's and Food and Drug Administration's Hazard Analysis and Critical Control Point (HACCP) regulations and is enhancing its image as 'the other white meat'. However, now the entire industry is faced with a new epidemic known as porcine epidemic virus, which is affecting pigs in 22 different states, and profits have decreased significantly. New components now must be added to the portfolio. This situation shows:

- A. Resource re-allocation is required
- B. Risk management is essential
- C. The ROI of the new components must be determined
- D. Portfolio rebalancing has led to the new components being in the top five priority list

**Answer: B**

#### NEW QUESTION 159

You are currently creating portfolio scenarios (what-if analysis) by reviewing components against prioritization criteria and using analysis techniques (e.g., options analysis, risk analysis, SWOT analysis, financial analysis). You are doing this in order to

- A. Understand the strategic priorities
- B. Create a basis for decision making
- C. Evaluate and select viable options
- D. Provide a guiding framework to operationalize the organizational strategic goals and objectives

**Answer: C**

#### NEW QUESTION 163

In a portfolio you have a continuous interaction between the portfolio and its components. The approach is top down when it comes to offering guidelines and approaches and becomes bottom up when the components report status and progress to the portfolio. What is the relation between the portfolio and portfolio components when it comes to defining the performance measures and targets (metrics)?

- A. Portfolio metrics are not related to component metrics, each is used at its own level
- B. Metrics are defined at portfolio level and given as guidelines to components in order to define their own metrics
- C. Portfolio metrics used at the portfolio level are the same used at components level
- D. Metrics are defined at components level and rolled up to the portfolio level

**Answer: D**

#### NEW QUESTION 165

Assume you work in a weak matrix structure in your pharmaceutical company in which most of the program and project managers are coordinators, and most of the staff that supports them are in functional organizations. On some high priority programs, staff may be dedicated to the program full time for a short time period; however, operational work often takes precedence especially in manufacturing. The demand for some of the pharmaceutical products often outpaces the available supply, and shelf life is short. These fluctuations of resources then:

- A. Require use of resource smoothing
- B. Led to the development of resource heuristics as to how best to manage the portfolio
- C. Require sign-offs from functional managers on the portfolio charter concerning resource availability
- D. Impact the availability of the work managed within the portfolio

**Answer: D**

#### NEW QUESTION 167

In your portfolio some of the programs and projects that are being pursued will realize benefits throughout the program and project's life cycle, while others will not realize the benefits until the program or project is closed or years later. This means as the portfolio manager, you should:

- A. Prepare a portfolio benefit realization plan
- B. Set up KPIs to document progress in benefit realization
- C. Include portfolio benefits, results, and expected value in the portfolio strategic plan
- D. Distribute regular reports on benefit realization as part of the portfolio communications management strategy

**Answer: C**

#### NEW QUESTION 171

As a result of optimization, one of the components was deemed necessary to be terminated. One of the executive managers found about this and called you telling you that you should leave this component as it is of interest to her and she wants to see it finalized and that she will make resources available to it if needed. What should be your best course of action?

- A. Ask the steering committee for more resources in order to be able to continue with this component
- B. Ask the senior manager directly for resources as you know that this component requires additional resources
- C. Highlight the issue in the governance board meeting and recommend termination based on facts and thorough analysis
- D. Continue working on the component as you have the support of one of the senior managers

**Answer: C**

**NEW QUESTION 174**

One of the major steps for a portfolio manager is to know which components qualify to be included in the mix of components that will achieve the strategic objectives sought by the portfolio. As a program manager, you will use a variety of methods to help you achieve this purpose. Which of the following are valid tools and techniques?

- A. Capability & Capacity Analysis, Weighted Ranking and scoring techniques, Graphical Analytical Methods, Quantitative & Qualitative Analysis, PMIS
- B. Integration of Subsidiary Plans, Organizational Structure Analysis, Elicitation techniques
- C. Weighted Ranking and scoring techniques, Portfolio Component inventory, Categorization
- D. Capability & Capacity Analysis, Weighted Ranking and scoring techniques, Graphical Analytical Methods, Quantitative & Qualitative Analysis

**Answer: C**

**NEW QUESTION 179**

Assume you are working in a division in your country's Department of Interior. The Department is set up in Bureaus, and your work falls within Natural Resources. Your division is the Water Resource Division. You are responsible as the portfolio manager for the work in this Division. As you work on the portfolio for the upcoming year, you point out to the members of the Portfolio Review Committee that:

- A. The projects in the portfolio have interdependencies between them
- B. Your portfolio reflects your Division's objectives
- C. Each program and project in the portfolio have related objectives
- D. Your portfolio addresses different strategies than those in other parts of the Department

**Answer: D**

**NEW QUESTION 180**

A new project manager was given an assignment on one of the components in your portfolio. What will you do as a portfolio manager in order to align the project manager with the strategic direction and integrate him/her with the work in progress?

- A. Let him check the Project Charter and ask you in the case where he needs your help
- B. Let him check the Portfolio Charter and ask you in the case where he needs your help
- C. Update the roles and responsibilities in the Portfolio Management Plan
- D. Train him on the portfolio management processes

**Answer: C**

**NEW QUESTION 183**

When managed correctly, the balanced scorecards can change the way an organization does business. Balanced scorecards keep focus on results. As a portfolio manager, you know that the purpose of using the balanced scorecards is

- A. All of the options
- B. Translate a high level strategic plan into an operational action plan
- C. Measure performance against goals
- D. Bring a feedback loop to strategic planning

**Answer: A**

**NEW QUESTION 188**

You are managing a portfolio for your company and are trying to balance the tasks that will be done internally based on the availability and the ones that will be outsourced. Managing supply and demand is a recurring activity in the portfolio life cycle and results in changes in resource utilization and resource efficiency. What you use to perform this?

- A. Elicitation techniques, Value Scoring & Measurement Analysis, Benefits Realization Analysis
- B. Elicitation techniques, Communication Requirements Analysis, Stakeholder analysis
- C. Elicitation techniques, Capability & Capacity Analysis, PMIS
- D. Scenario Analysis, Capability & Capacity Analysis, Quantitative & Qualitative Analysis

**Answer: D**

**NEW QUESTION 190**

Following a recent portfolio health check, you noticed that your portfolio is not aligned with the strategic plan and actions should be taken to stop losing money. What should be your next course of action?

- A. Escalate to the executive management
- B. Update the Strategic Plan
- C. Escalate to Governance Board
- D. Escalate to sponsor directly

**Answer: C**

**NEW QUESTION 192**

As part of the strategic alignment, you Identify prioritization criteria (e.g., legislative, dependencies, ROI, stakeholder expectations, strategic fit) using information gathering and analysis techniques in order to



- A. Create portfolio scenarios
- B. Understand the strategic priorities
- C. Create a basis for decision making
- D. Provide a guiding framework to operationalize the organizational strategic goals and objectives

**Answer:** C

#### NEW QUESTION 195

You have been assigned as the manager for a major transformation portfolio in your company. You have a new direction in sight and you need to work with the team to attain the end goal and achieve the expected strategy. You are currently defining the portfolio and with the purpose of

- A. Creating an up-to-date list of qualified portfolio component
- B. Allocating resources to develop component proposals or execute portfolio components
- C. Balancing the portfolio for performance and value delivery
- D. Making Governance Decisions

**Answer:** A

#### NEW QUESTION 197

While defining the portfolio, a portfolio manager does a preliminary comparison of all inventoried portfolio components against the portfolio component definition. For this, the descriptors of each portfolio component are used in order to compare it to other components. Which of the following is not a component key descriptors?

- A. Component Customer
- B. Urgency
- C. Resources Required
- D. Component Number

**Answer:** B

#### NEW QUESTION 201

You have been asked to manage a major portfolio in order to salvage the company and and re-align it with the strategic objectives and goals. You decided to develop the strategic documents and are currently developing the charter. As a portfolio manager, which of the following would be your answer when asked of the purpose for the development of portfolio charter?

- A. Execute portfolio management processes
- B. Authorize portfolio components
- C. Start the development of Portfolio Management plan and all of its subsidiary plan
- D. Develop portfolio structure

**Answer:** A

#### NEW QUESTION 205

You have been receiving complaints from Key Stakeholders about multiple projects not being initiated, also they have great strategic alignment. What should have been done to avoid this?

- A. Updated the prioritization criteria
- B. Communicated the Prioritization Model
- C. Including those Key Stakeholders in the steering committee
- D. Developed a Communication Management Plan

**Answer:** D

#### NEW QUESTION 206

You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you continuously report risks and issues to stakeholders. One of the key stakeholders is furious as he cannot find an issue that has occurred a week ago in the risk register. What should you do in this case?

- A. Inform the stakeholder that risk that have occurred are removed from the risk register and not used anywhere else
- B. Inform the stakeholder that issues are risks that have occurred and are tracked as part of the issue register
- C. Inform the stakeholder that you will directly fix this and include it in the risk register
- D. Inform the stakeholder that when positive risks occur they become realized opportunities and when negative risks occur they become realized threats

**Answer:** B

#### NEW QUESTION 208

You are managing a portfolio in a functional organization and resources are shared between operations and projects. You are continuously performing capability and capacity analysis in order to optimize the portfolio. Which of the following capability and capacity analysis is used to limit the number AND size of components the organization can execute?

- A. Financial
- B. Human Resources
- C. Knowledge Basis
- D. Assets

**Answer:** D



#### NEW QUESTION 213

One of your component managers came to you to tell you about a risk affecting his component that will badly impact the component and might affect the portfolio. After assessment, the risk turned out to be of low probability with high impact. What do you do as a portfolio manager?

- A. Inform him to submit a change request to raise the component contingency because of this risk
- B. Inform the component manager to add the risk to the risk register and follow up on it closely
- C. Inform the component manager to add the risk to the risk register, assign a senior risk owner to it in order to follow up on it closely
- D. Inform him that he does not need to worry, you will have a risk contingency reserve for his risk at a portfolio level

**Answer: D**

#### NEW QUESTION 217

In preparing your communications matrix, you identified five communication areas. One is portfolio governance decisions. A communication vehicle for these decisions is:

- A. E-mails
- B. Scorecards
- C. Internal portal
- D. PMO repository

**Answer: C**

#### NEW QUESTION 218

When it comes to managing a portfolio, you have a variety of assets, plans and tools and techniques used. It requires a good experience to handle all of these artifacts. One of your portfolio team members came to you asking about the relation between the portfolio performance management plan, the portfolio management plan and portfolio strategic plan. What should your answer be?

- A. The portfolio strategic plan is a subsidiary plan or a component of the portfolio management plan
- B. The portfolio performance management plan is a separate plan
- C. The portfolio performance management plan is a subsidiary plan or a component of the portfolio management plan
- D. The portfolio strategic plan is a separate plan
- E. The portfolio performance management plan is a subsidiary plan or a component of the portfolio strategic plan
- F. The portfolio strategic plan is also incorporated within the portfolio management plan as a part of it
- G. The portfolio performance management plan and the portfolio strategic plan are both subsidiaries of the portfolio management plan

**Answer: B**

#### NEW QUESTION 220

Organizations pass by a strategic planning cycle on regular basis in order to align existing strategies, remove strategies and add new ones. When it comes to the implementation, which of the following options represents the activities through which the organizational strategies are implemented?

- A. Portfolio Components
- B. Portfolio Strategic Management
- C. Portfolio Components and Ongoing Operations
- D. Ongoing Operations

**Answer: C**

#### NEW QUESTION 222

One of the ten underlying principles of portfolio management involves a strategic focus. Assume you are going to have a short meeting with your CEO tomorrow, and you want to succinctly describe it. You will tell the CEO it is important since it:

- A. Emphasizes the need for portfolio management to attain strategic objectives
- B. Provides a clear basis for decision making
- C. Includes processes and change initiatives to accomplish organizational strategies
- D. Balances conflicting demands

**Answer: C**

#### NEW QUESTION 226

As a portfolio manager, you realize the importance of communication for the success of a portfolio. You are now developing the portfolio management plan and are looking for the portfolio current risks status including high risks. Which of the following contains what you are looking for?

- A. Portfolio Management Plan
- B. Portfolio Reports
- C. Portfolio Charter
- D. Portfolio Process Assets

**Answer: D**

#### NEW QUESTION 228

Calculate the composite index for the following portfolio having CPI weight = 80% and SPI weight = 20% Larger image

- A. 0.9
- B. 1.5
- C. 1
- D. 1.1

**Answer: C**

**NEW QUESTION 232**

Your company got recently acquired by another company and the strategic directions which your portfolio is based on have been changed. Which document do you, as a portfolio manager, update to reflect how the new strategy will be implemented?

- A. Portfolio Strategic Plan
- B. Portfolio Management Plan
- C. Portfolio Roadmap
- D. Communication Management Plan

**Answer: B**

**NEW QUESTION 236**

One of your components within the portfolio has been struggling and has undertaken a lot of issues. A recent measurement has shown that its CPI is 0.4 and SPI is 0.3. What is the best course of action you should take as a portfolio manager

- A. Escalate the issue to the Portfolio steering committee
- B. Immediately terminate the component
- C. Request that the component governance board checks this component and takes a decision on whether to continue or terminate it
- D. Notify the sponsor of the component about the issue

**Answer: C**

**NEW QUESTION 237**

One of the junior portfolio managers learned that she needs to use the roadmap as an input to the portfolio management plan development. She does not understand why, and she came to you for advice. What is your advice to her?

- A. Roadmap contains the portfolio structure which is used to structure the components for management through the portfolio management plan
- B. Roadmap is not an input to this process
- C. Roadmap provides the prioritization model to the portfolio management plan
- D. High-level timelines in roadmap are used to define low-level schedule and timelines for portfolio components

**Answer: D**

**NEW QUESTION 238**

You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you are coaching your team on the same. When it comes to Managing portfolio risks, a risk owner, along with the portfolio manager, should select the strategy or mix of strategies most likely to be effective. Which of the following is not a risk strategy?

- A. Scenario Analysis
- B. Fallback Plan
- C. Strategies for both threats and opportunities
- D. Response Strategy Selection

**Answer: B**

**NEW QUESTION 240**

While performing the manage supply and demand process, one of your sub-portfolio managers came to you asking advice on how to analyze intangible assets such as resources knowledge or skills based on the metrics defined. What should be your advice to him?

- A. You should tell him to use the qualitative metrics defined in the performance management plan in order to measure the intangible aspect
- B. He can then use the number of full-time equivalents in order to quantify them when possible
- C. You should tell him to ignore the intangible aspects as they are not as important as tangible ones which will help in decision making
- D. You should advice him to use quantitative analysis in order to quantify the intangible aspects and be able to measure them
- E. You should tell him that metrics are only defined to measure tangible aspects; intangible measurements should be based on assumptions

**Answer: A**

**NEW QUESTION 243**

You are the portfolio manager for a large county that comprises much of a major city in your country. The city also has a portfolio manager, and often you meet to discuss proposed initiatives to see if there are any dependencies. In your county, you established an approach to evaluate portfolio components to make judgments regarding their alignment and priority. In doing so, which of the following was especially helpful:

- A. Portfolio strategic plan
- B. Portfolio management plan
- C. Portfolio roadmap
- D. Portfolio charter

**Answer: B**

**NEW QUESTION 248**

Ideally, the organization practices a policy of open communications on risks and encourages people to point any out at all levels, even if the risk does not affect one's own work and especially if it affects the portfolio. Different people, though, have different perspectives of the various portfolio risks based on their position in the organization. Assume a risk has been identified concerning the organization's operating model. This risk was identified by:

- A. A functional manager
- B. A PMO Director
- C. An executive
- D. The portfolio manager

**Answer: C**

**NEW QUESTION 250**

In your telecom company, a number of criteria must be considered as you develop your approach to prioritize components in the portfolio. Your management insists that to be competitive the products must be first to market or the window of opportunity is lost with the result being not only lost revenues but also lost productivity. Another criterion to consider is:

- A. External dependencies
- B. Goals and objectives
- C. Customers
- D. Regulatory compliance

**Answer: D**

**NEW QUESTION 251**

Risks perspectives differ within the organization between executive management, operations management, portfolio management and project/program management. Which of the following are common risk concerns across the organization?

- A. Reporting and data accuracy
- B. Organizational Integrity
- C. Time, cost and scope commitments
- D. Issues with Product development

**Answer: B**

**NEW QUESTION 255**

Your company has decided to invest in a revolutionary product that will make the delivery of online orders easier and will cut down the delivery time by no less than 35%. While measuring the value of the new component with relation to the market, which of the following should be used?

- A. Comparative Advantage Analysis
- B. Market Requirement Analysis
- C. Weighted Ranking and Scoring
- D. Cost-Benefit

**Answer: A**

**NEW QUESTION 260**

You have just finished the development of the Portfolio Communication Management Plan. The portfolio team is looking for portfolio value assessment, status reports, and portfolio forecast with variance to plan. Where should they find this information?

- A. Portfolio
- B. None of the options
- C. Portfolio Management Plan
- D. Portfolio Process Assets

**Answer: D**

**NEW QUESTION 262**

The Portfolio Management Office (PMO) provides support to the portfolio manager throughout the portfolio life cycle. Which of the below is not something that the PMO supports the portfolio manager with?

- A. Define Portfolio Management best practices
- B. Formulating component management standards
- C. Define Portfolio Management standards
- D. Formulate organizational standards

**Answer: D**

**NEW QUESTION 266**

A major strategic change has occurred and you are managing the change at portfolio level. You are currently performing gap analysis and you receive information on a stakeholder that is extremely unhappy with how the change will be handled in your portfolio. What should be your best course of action?

- A. Perform prioritization analysis in order to position the change with relations to other changes
- B. Check the Communication Strategy matrix and ignore the stakeholder if he lies in the lower quadrants
- C. Escalate the issue to steering committee before any further damage happens
- D. Perform Stakeholder Analysis

**Answer: D**

**NEW QUESTION 268**

One of the stakeholders of one of your components came to you complaining that his manager is not receiving specific information on multiple components progress. What is your best course of action?

- A. Raise the issue to the governance board as you have already analyzed this manager
- B. Send the manager the needed information asked by the stakeholder
- C. Meet the manager and understand what information is required
- D. Add the manager to the weekly reports distribution list where there is a lot of information on the components

**Answer: C**

#### NEW QUESTION 271

A portfolio manager needs to continuously balance the need and requirements with the available resources and needs to maintain a balanced portfolio and portfolio resources in order to optimize delivery. Capability and Capacity analysis is performed abundantly throughout the portfolio lifecycle and spans multiple processes. While performing the capability and capacity analysis during the manage supply and demand process, which of the following you use to maximize the use of resources

- A. Continuous monitoring of the progress
- B. Allocating scarce resources
- C. Equity Protection
- D. Soft Booking

**Answer: D**

#### NEW QUESTION 272

Consider you have the following efficient frontier graph with multiple portfolios on it. Which portfolio do you choose? Larger image

- A. Portfolio D
- B. Portfolio B
- C. Portfolio C
- D. Portfolio A

**Answer: A**

#### NEW QUESTION 277

You are managing a large portfolio and are approaching to a major checkpoint. As a portfolio manager, you are now collecting information and reports from various components for aggregation and presentation. What method/tool can you use to support you in this process?

- A. Elicitation
- B. PMIS
- C. Manage Portfolio Information
- D. Communication methods

**Answer: A**

#### NEW QUESTION 280

The portfolio management information system is often a collection of spreadsheets rather than automated tools. An effective PMIS enables the portfolio manager to define, analyze, design, produce, and manage information systems to support a successful portfolio, and includes tools and processes such as:

- A. Change or configuration management systems, Communication management processes and tools
- B. Software tools, Risk database and analysis tools, Earned value management processes and tools
- C. Financial management processes and systems, Communication management processes and tools
- D. All of the options

**Answer: D**

#### NEW QUESTION 282

Specific types of communication technology that are used such as communication media, record retention policies, and security information are examples of:

- A. Organizational process assets
- B. Portfolio process assets
- C. Items in the information distribution process
- D. Items needed to cover the portfolio communications management plan

**Answer: B**

#### NEW QUESTION 287

You are the manager of a major portfolio with a variety of stakeholders and stakeholder groups. you know that managing communication is key to success and you stress on maintaining a high communication level. You have just finalized the development of the Portfolio Communication Management Plan. Which of the following is correct regarding its purpose and focus?

- A. Articulates the options, preferences, and factors that will be considered in a specific portfolio
- B. Identifies recipients for information associated with the portfolio management process
- C. Shows how and when the portfolio resources will be planned, balanced, and allocated to the portfolio components
- D. Describes the approach and intent of management in identifying, approving, procuring, prioritizing, balancing, managing, and reporting a portfolio

**Answer: C**

#### NEW QUESTION 290

Stakeholders in your company are skeptical of the changes that will occur as portfolio management is being implemented. While some are supportive, most are not as they believe their work may be terminated. As the portfolio manager, you prepared a list of stakeholders, which is included in the:

- A. Portfolio strategic plan
- B. Portfolio charter
- C. Portfolio performance plan
- D. Portfolio management plan

**Answer: B**

#### NEW QUESTION 294

Your IT company has been successful as it is able to deliver projects on time without the need for rework and within the allocated budget. Your customers have been astonished with the results and are using your company for additional work, plus they have been recommending your company to others. Your company is experiencing tremendous growth and wants to ensure it can take on the new work with existing resources, both people and systems, or whether it will need to use outsourcing. Given its outstanding reputation, your executives wish to avoid the need to outsource. You have been asked to perform a capacity analysis. A best practice is to:

- A. Prepare a model of the current configuration and modify it to determine future capacity requirements
- B. Determine and document existing assumptions
- C. Inventory staff members to assess their level of competencies and existing workload
- D. Use resource leveling in an enterprise project management information system

**Answer: A**

#### NEW QUESTION 299

You are the manager for a governmental portfolio aiming to restructure the roads in your country. Having a tight schedule, a large number of stakeholders including the public, in addition to a strict budgeting framework, you know that you will be managing the portfolio closely and that the governance board and the stakeholders would want to check on the progress and status frequently. For this you have developed a robust Portfolio management plan. What do you expect as output of this development?

- A. Portfolio Management Plan, Portfolio Roadmap update, Portfolio Charter update, Enterprise Environmental Factors update
- B. Portfolio Management Plan, Portfolio Reports update
- C. Portfolio Strategic Plan update, Portfolio Process Assets updates, Portfolio Management Plan
- D. Portfolio update, Portfolio Roadmap update, Portfolio Management Plan

**Answer: C**

#### NEW QUESTION 304

While the Governance Board has a variety of significant roles in portfolio management, especially in terms of the recommendations it makes, c they involve:

- A. Interdependencies between components
- B. Resolution of issues and risks
- C. Portfolio balancing and prioritization
- D. Resource reallocation

**Answer: D**

#### NEW QUESTION 306

Assume you are working in the Joint Forces Command in your country. In this agency, all of the defense agencies are consolidated for better collaboration to support troops working around the world. Each program or project tends to have more than one sponsor, and since each Command is represented in this agency, the same is true for the portfolio. These sponsors are listed in the:

- A. Governance plan
- B. Portfolio charter
- C. Portfolio performance plan
- D. Portfolio Review Board charter

**Answer: B**

#### NEW QUESTION 309

You are managing a large portfolio and know that you will need to constantly show the progress and status of the portfolio in meeting. For this you have developed a robust roadmap using BI tools. When it comes to Portfolio dependencies, which of the following is true regarding the roadmap?

- A. The roadmap forms the initial basis on which dependencies are established both within the portfolio and externally to the portfolio, between the organization areas
- B. The Portfolio roadmap includes programs and projects roadmaps, so it establishes the internal dependencies for the portfolio and its subsequent programs and projects
- C. The roadmap is internal to the portfolio, so it only establishes the internal dependencies
- D. The roadmap caters for the alignment with strategic objectives, so it establishes external dependencies

**Answer: A**

#### NEW QUESTION 312

Your probability and impact assessment work is complete, and you are using the results to prepare the portfolio risk management plan. As you do so, it also is useful to:



- A. Define the assurance levels of the risk and its performance measures
- B. Validate with your stakeholders that your analysis meets their expectations
- C. Communicate the results with others in the organization for greater transparency
- D. Identify specific trends for each risk using qualitative and quantitative analysis

**Answer:** A

#### NEW QUESTION 317

Assume you are the portfolio manager for a public sector organization, and it has been part of a public-private partnership for three years for highway projects. You are making recommendations as to the next program to undertake. The head of your Highway Department in your State is questioning whether the partnership is the best approach or whether it is best to work on its own. You asked the Marketing manager for assistance, and she prepared a value-for-money analysis. This approach is useful in that it:

- A. Enables an apples-to-apples comparison of the two approaches
- B. Provides a real options approach
- C. Supports a value-to-organizational vision approach
- D. Computes the expected monetary value of the two approaches

**Answer:** A

#### NEW QUESTION 319

A portfolio manager on one of the major sub-portfolios in your portfolio has tendered his resignation and gave you a 2 months notice. This unexpected change will require you to take immediate action with the governance board. Which of the following processes will be handling this situation?

- A. Manage Portfolio Risk
- B. Provide Portfolio Oversight
- C. Manage strategic change
- D. Manage Supply & Demand

**Answer:** B

#### NEW QUESTION 322

You have set a meeting with your portfolio team members as an answer to the identification and update of the organization near-term budget and plans. One of your team members asked you of the goal of what is being done. Your answer to him should be

- A. All of the options
- B. Authorizing the portfolio
- C. Initiating the portfolio
- D. Developing specific portfolio assets

**Answer:** D

#### NEW QUESTION 324

Working to prepare the portfolio performance management plan, assume you have been involving others in the process to help secure their later support of the plan. You also reviewed historical information and other artifacts. Not to be overlooked is a/an:

- A. Benefit schedule
- B. Organization chart
- C. Regulatory requirements
- D. Governance model

**Answer:** A

#### NEW QUESTION 329

Your company acquired another company. The sponsor asked you to check the other company's current inventory of work and see what could be added to your current portfolio. You have a meeting coming up to show the sponsor the portfolio dependencies. Which document should you be showing him?

- A. Portfolio Roadmap
- B. Portfolio Charter
- C. Portfolio Management Plan
- D. Portfolio Strategic Plans of both, your portfolio and the ones of the other company

**Answer:** A

#### NEW QUESTION 334

Chartering a portfolio is a major step in getting the needed authorizations to execute the portfolio. Your are currently developing the charter and considering the following inputs

- A. Portfolio Strategic Plan, Enterprise Environmental Factors, Portfolio Process Assets
- B. Portfolio Strategic Plan, Enterprise Environmental Factors, Portfolio Process Assets, Portfolio
- C. Portfolio Strategic Plan, Enterprise Environmental Factors, Portfolio Process Assets, Portfolio Management Plan
- D. Portfolio Strategic Plan, Enterprise Environmental Factors, Portfolio Process Assets,Portfolio Roadmap

**Answer:** A

#### NEW QUESTION 339

The interest, influence, and communication needs of business operational stakeholders who are looking to ensure alignment between portfolio components, while minimizing negative impact and maximizing positive benefits of all portfolio-managed changes to their business operations, relate to which type of stakeholders?

- A. Internal and External Stakeholders
- B. External Stakeholders
- C. Does not relate to stakeholders
- D. Internal Stakeholders

**Answer:** D

#### NEW QUESTION 343

Your organization, a leading restaurant focusing on pancakes, is seeking to expand its portfolio. It is interested in ensuring new components support: return on investment, customer satisfaction, reputation enhancement, and branding. These four areas represent:

- A. Metrics
- B. Organizational value areas
- C. Organizational strategic objectives
- D. Critical success factors

**Answer:** B

#### NEW QUESTION 344

You have just finished a major checkpoint in your portfolio and the portfolio has to undergo several changes in order to re-align with the strategies. One component of your portfolio has been cancelled and the resources are going to be reallocated to other components. Which process does these activities?

- A. Manage Supply & Demand
- B. Authorize Portfolio
- C. Manage Portfolio Oversight
- D. Optimize Portfolio

**Answer:** B

#### NEW QUESTION 346

Managing risk is key to the success of any initiative. Risk is considered to be inherent in any activity we do in project management and at any level. Risk is part of project, program and portfolio management and has a different exposure in each and every one. You are currently developing the guidelines and approaches for managing risks and are looking for methods to help you. What are you looking for?

- A. Weighted Ranking and scoring techniques, Quantitative & Qualitative Analysis
- B. Weighted Ranking and scoring techniques, Pf Component inventory, Categorization
- C. Weighted Ranking and scoring techniques, Graphical Analytical Methods, Quantitative & Qualitative Analysis
- D. Capability & Capacity, Weighted Ranking and scoring techniques, Graphical Analytical methods, Quantitative & Qualitative Analysis

**Answer:** C

#### NEW QUESTION 350

A portfolio includes a lot of independent components with the same strategic aim. As a portfolio manager you will need to prepare a qualified list of components to be used to reach the strategic goals and objectives. What input can you use in order to define the mix of portfolio components?

- A. Portfolio Strategic Plan, Portfolio Roadmap, Portfolio Charter, Portfolio Process Assets, Portfolio
- B. Portfolio Strategic Plan, Portfolio Roadmap, Portfolio Charter, Portfolio Process Assets, Portfolio Management Plan
- C. Portfolio Strategic Plan, Portfolio Management Plan, Portfolio Roadmap, Portfolio Charter, Portfolio Process Assets, Portfolio
- D. Portfolio Strategic Plan, Portfolio Roadmap, Portfolio Charter, Portfolio Process Assets, Organizational Process Assets

**Answer:** C

#### NEW QUESTION 355

Processes in the portfolio management layer interact with each others. For example, Manage Portfolio Information interacts with Provide Portfolio Oversight in order to store decisions made during the portfolio review meetings. Where are these decisions stored?

- A. Portfolio Management Plan
- B. Portfolio
- C. Portfolio Reports
- D. Portfolio Process Assets

**Answer:** C

#### NEW QUESTION 360

Which of the following depicts the use of the burn-down and burn-up charts?

- A. All of the Options
- B. They show the planned vs accrued Earned Value
- C. They show the execution of the portfolio against the overall budget and time
- D. They show the burned cost and time against planned ones

**Answer:** C

**NEW QUESTION 364**

Multiple changes have been recommended and approved in your portfolio and the need for continuous optimization seems to never end. This is normal in a portfolio and optimizing the components mix and the use of resources is key to success. As a portfolio manager you will be re-visiting the Optimize Portfolio process countless times. Which of the following are considered outputs to this process?

- A. Roadmap update, Portfolio Management Plan update, Portfolio update, Portfolio Reports, Portfolio Process Assets update
- B. Roadmap update, Portfolio Strategic Plan update, Portfolio update, Portfolio Reports, Portfolio Process Assets update
- C. Roadmap update, Portfolio Management Plan update, Portfolio update, Portfolio Reports, Portfolio Organizational Process Assets update
- D. Roadmap update, Portfolio Management Plan update, Portfolio update, Portfolio Reports, Enterprise Environmental Factors update

**Answer:** A

**NEW QUESTION 365**

You are the manager for a governmental portfolio aiming to restructure the roads in your country. Having a tight schedule, a large number of stakeholders including the public, in addition to a strict budgeting framework, you know that you will be managing the communication closely and that the governance board and the stakeholders would want to check on the progress and performance frequently. For this you have developed a robust Communication management plan. What is the result of developing this plan?

- A. Portfolio Process Assets updates, Portfolio Charter updates, Portfolio updates, Portfolio Management Plan updates, Enterprise Environmental Factors updates
- B. Portfolio Process Assets updates, Portfolio Charter updates, Portfolio Reports updates, Portfolio Management Plan updates, Portfolio Component Reports updates
- C. Portfolio Process Assets updates, Portfolio Management Plan updates
- D. Portfolio Process Assets updates, Portfolio Roadmap updates, Portfolio updates, Portfolio Management Plan updates, Enterprise Environmental Factors updates

**Answer:** C

**NEW QUESTION 368**

You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you are coaching your team on the same. For this you maintain a risk register. The risk register is used throughout the portfolio life cycle in order to track and manage risks. It is continually updated throughout the portfolio life cycle. As a portfolio manager, you know that the risk register includes all of the following except

- A. Probability Impact Assessment
- B. List of potential responses
- C. Updated risk categories
- D. Person who Identified the risk

**Answer:** D

**NEW QUESTION 372**

Due to multiple occurrences of risk realization, the CEO has asked you to re-assess the portfolio risks once again. Up to what level in the organization do you go when you need to assess risks?

- A. Operational
- B. All Organizational Levels
- C. Functional
- D. Internal to the portfolio

**Answer:** B

**NEW QUESTION 377**

Following a major organizational restructuring, new portfolios are currently being initiated. You have been assigned the position of portfolio manager on one of the major portfolios and are currently in strategic management. You are currently performing cost-benefit analysis. What is part of this analysis?

- A. Qualifies estimated costs and benefits and lists quantitative considerations of alternative portfolio components
- B. Quantifies estimated costs and benefits and lists qualitative considerations of alternative portfolio components
- C. Quantitative considerations of alternative portfolio components
- D. Qualifying estimated costs and benefits

**Answer:** B

**NEW QUESTION 379**

As part of the portfolio management plan, you have the "Manage Strategic Change" and the "Change Control and Management". This is causing issues to one of your team's junior portfolio managers as she cannot understand the difference. In your opinion, what is the difference between both?

- A. There is no difference; they both refer to the same document
- B. "Manage Strategic Change" enables managing changes to strategic direction; and the "Change Control and Management" defines the process for change management activities during portfolio execution
- C. "Manage Strategic Change" is the detailed process of "Change Control and Management"
- D. "Change Control and Management" manages changes to strategic direction; and the "Manage Strategic Change" defines the process for change management activities during portfolio execution

**Answer:** B

**NEW QUESTION 380**

In a portfolio, data is an abundant asset, and managing the information aiming for a better decision making is critical. Which of the following help you with

managing the portfolio value?

- A. PMIS, Elicitation techniques, Communication Requirements Analysis, Communications Methods
- B. Elicitation techniques, Capability & Capacity Analysis, PMIS
- C. Elicitation techniques, Communication Requirements Analysis, Stakeholder analysis
- D. Scenario Analysis, Capability & Capacity Analysis, Quantitative & Qualitative

**Answer:** A

#### NEW QUESTION 381

Working to best optimize resource supply and demand in your telecom company, authorized components are prioritized to help in resource allocation. This means as you work to do so, you need to review the portfolio because:

- A. It provides guidance in terms of recommendations if there are changes in strategy and resource availability
- B. Resource requirements are balanced according to the resource pool
- C. Components are not authorized unless resources are available to support them
- D. Sponsors assess resource requirements and their availability before proposing a component to be in the portfolio

**Answer:** B

#### NEW QUESTION 382

Portfolios include a lot of work and as a portfolio manager you need to keep an eye on the value realization while maintaining the strategic alignment. You are currently aggregating value delivered by the portfolio components. What can you use to help you in this context?

- A. Roadmap, Portfolio Management Plan, Portfolio Reports
- B. Roadmap, Portfolio Management Plan, Portfolio Reports, Portfolio Process Assets, Portfolio Strategic Plan
- C. Roadmap, Portfolio Management Plan, Portfolio Reports, Portfolio Process Assets
- D. Roadmap, Portfolio Management Plan, Portfolio Reports, Portfolio Process Assets, Portfolio Component Reports

**Answer:** A

#### NEW QUESTION 384

All measurements in a Portfolio are done in correspondence to Key Performance Indicators (KPIs), and defining those KPIs is essential and should be done by highly capable personnel. Which of the following is true regarding who prepares KPIs and which party approves them?

- A. Portfolio Management team and Portfolio Manager
- B. Portfolio Manager and Steering Committee
- C. Governance team and Executives
- D. Portfolio Management Team does both

**Answer:** C

#### NEW QUESTION 385

Assume you are the portfolio manager for the Federal Railroad Administration. Funding is provided annually according to the Government's budget process. Any monies that are not spent at the end of a fiscal year are lost, and there are some restrictions in place concerning whether funds can be transferred to different programs, projects, or operations work in the agency. Therefore, to maximize the use of funding you require:

- A. Regular reports on funds for authorized components
- B. Projections on a quarterly basis as to the funds components require
- C. Mechanisms for internal audits to ensure funds are allocated effectively
- D. Accurate estimates of the funds needed when the component is proposed for consideration

**Answer:** A

#### NEW QUESTION 387

Resources allocation and optimization for use is key to a successful portfolio. You have assigned human resources, funds and other required assets to a component that you have initiated recently. What should have been done prior to being able to to that?

- A. Managed Portfolio Value
- B. Communicated the decision to all stakeholders
- C. Prioritized the component
- D. Authorized the component

**Answer:** D

#### NEW QUESTION 388

Each time the Portfolio Governance Group meets the goal is to review the existing components and any that are proposed to ensure the portfolio has the best mix to attain strategic objectives. As the portfolio manager, you find these meetings, if facilitated accordingly, are effective decision-making sessions. However, you tend to have open issues after every meeting. These open issues:

- A. Should be tracked in an issue register
- B. Are managed as described in the charter
- C. Are considered portfolio process assets
- D. Require an owner to manage them until they are closed

**Answer:** C



**NEW QUESTION 391**

Assume you are preparing the first portfolio risk management plan for your outsourcing company, which typically handles call centers around the world. While the company has implemented portfolio management and has a Portfolio Oversight Group, it did not previously assess risks to the portfolio itself. Instead, it assumed risks would be managed at the project level. However, numerous customer complaints have been received. The root cause is once a new call center is established, limited if any planning is done as the manager rushes to have it ready and operational as soon as possible. This has led to a lack of understanding as to what is required for the call centers to be successful. In preparing this plan, you are reviewing the portfolio management plan because it:

- A. Contains the portfolio vision statement
- B. Provides the organization's risk tolerance
- C. Provides guidance on stakeholder engagement
- D. Includes the portfolio performance matrices

**Answer: C**

**NEW QUESTION 396**

As the Director of the Portfolio Management Office at your worldwide furniture store, you prepare a series of reports on the status of the portfolio. One report that you use is a bubble diagram. In using it in terms of resource supply and demand, you should structure it to show:

- A. Required resources and available resources
- B. Resource availability and life cycle phase
- C. Resource competency and component probability of success
- D. Resource importance and probability of success

**Answer: A**

**NEW QUESTION 400**

Assume your food additive company performed a capacity analysis and found some resources had not maintained their skill sets and basically were not as productive as others in the company. Rather than have a massive reorganization, instead the executives decided to eliminate the jobs of these staff members, many of whom had been in the company for more than 20 years. Morale among the existing staff is low as people fear there will be more layoffs. Plus the government issued a new regulation that requires an additional Food and Drug Administration quality check before a new additive can be submitted for regulatory approval. One member of the executive team wants to acquire another company to enhance market share, and the existing plants in the Asia Pacific region require infrastructure upgrades. Given resource shortages, only one component can be selected to be added to the portfolio. The Board should select:

- A. Component A—to enhance employee morale
- B. Component B—to add staff to work with the FDA trained in quality management
- C. Component C—to acquire the competitor to increase market share
- D. Component D—to upgrade the AP's plant infrastructure

**Answer: B**

**NEW QUESTION 401**

You have scored the portfolio components and are analyzing the data in order to prioritize the components. Using the following scoring table, which of the options represents the correct Components Priority?

Larger image

- A. D, B, C, E, A
- B. A, C, E, B, D
- C. D, B, E, C, A
- D. D, B, E, A, C

**Answer: D**

**NEW QUESTION 404**

Due to market technological changes, your company got impacted and was urged to revise its portfolios. You are currently revising your portfolio to determine the required changes in the component mix. Which of the following options shows a clear path from the "as-is" to the "to-be" vision?

- A. Portfolio
- B. Portfolio Charter
- C. Portfolio Strategic Plan
- D. Portfolio Roadmap

**Answer: D**

**NEW QUESTION 405**

Managing risk is key to the success of any initiative. Risk is considered to be inherent in any activity we do in project management and at any level. Risk is part of project, program and portfolio management and has a different exposure in each and every one. Multiple risks have already been spotted in your portfolio and you are now identifying, assessing and developing risk response plans for them, in addition to monitoring and controlling them. What are you looking for? You were finding this hard at first however you asked the help from a senior portfolio manager and he redirected you to use

- A. Weighted Ranking and scoring techniques, Portfolio Component inventory, Categorization
- B. Weighted Ranking and scoring techniques, Quantitative & Qualitative Analysis
- C. Capability & Capacity, Weighted Ranking and scoring techniques, Graphical Analytical methods, Quantitative & Qualitative Analysis
- D. Weighted Ranking and scoring techniques, Graphical Analytical Methods, Quantitative & Qualitative Analysis

**Answer: B**

**NEW QUESTION 406**



Managing risk is key to the success of any initiative. Risk is considered to be inherent in any activity we do in project management and at any level. You are currently assessing risk against multiple criteria and classifying them as part of developing the risk management plan. Which of the below reflects what you are doing?

- A. Quantitative and Qualitative analysis
- B. Graphical Analytical methods
- C. Categorizing Risks
- D. Weighted Ranking and Scoring Techniques

**Answer:** D

#### **NEW QUESTION 411**

Assume the organization's strategy has undergone a significant change, and as a result the mix of components in the portfolio also will change. As the portfolio manager, you need to update your charter in order to reflect:

- A. The new 'to be' vision
- B. Interdependencies between the new components
- C. Risk tolerances
- D. Key stakeholders

**Answer:** D

#### **NEW QUESTION 416**

You are managing a portfolio linked to multiple business units and you set clear accountabilities from the beginning to avoid delays and to enhance the decision making process. Roles and Responsibilities are recorded in multiple portfolio documents. Where are the portfolio component managers roles and responsibilities stored?

- A. Specifically the Communication Management Plan
- B. Strategic Plan
- C. Portfolio Management Plan
- D. Portfolio Process Assets

**Answer:** C

#### **NEW QUESTION 421**

As a portfolio manager, you map the business value areas to each component in your portfolio in order to maintain alignment with the organizational strategy. What is the mechanism that will be used for tracking areas of measurement for assessing how the mix of portfolio components is performing?

- A. Benefits Realization
- B. Performance Metrics
- C. Manage Portfolio Value
- D. Portfolio Roadmap

**Answer:** B

#### **NEW QUESTION 423**

Embracing a management-by-projects culture means there tends to be far more projects to pursue than available resources. An approach then is required to guide decisions as to components in the portfolio. A best practice to follow is to:

- A. Set forth in the portfolio strategic plan a prioritization model
- B. Develop a portfolio roadmap
- C. Focus on both internal and external environmental changes
- D. Focus on sustainment of project benefits

**Answer:** A

#### **NEW QUESTION 425**

For governments worldwide, you normally have a lot of people reluctant to change and to using new technology tools especially for communication. You are managing a governmental portfolio and planning for a transformational endeavor. You are currently depicting the various communication media and methods to be used, where is this information normally used?

- A. Communication Matrix
- B. Stakeholder Communication Strategy Matrix
- C. Stakeholder Groups
- D. Stakeholder Matrix

**Answer:** A

#### **NEW QUESTION 427**

Your sponsor has urged you to analyze Portfolio Risk before the end-of-week governance board meeting as the CEO will be present and is interested in Portfolio risk data in particular. Currently, you do not have adequate risk information in order to analyze data and give recommendations. Which tool is the most suitable for you to use in this case?

- A. Cumulative distribution
- B. Weighted Ranking and Scoring Techniques
- C. Delphi
- D. Graphical Analytical methods

**Answer:** C

**NEW QUESTION 429**

As you work to determine which stakeholders had the highest degree of influence over the portfolio, you wanted to especially know about the members of the Portfolio Governance Board because:

- A. They would have numerous interrelationships with other stakeholders
- B. They would be best suited to work with people who were not portfolio management supporters
- C. The governance processes affect information requirements
- D. All of the portfolio changes, risks, and issues would be of interest to them

**Answer:** C

**NEW QUESTION 430**

You have been assigned as the manager for a major transformation portfolio in your company. You have a new direction in sight and you need to work with the team to attain the end goal and achieve the expected strategy. You are managing the strategic change and using multiple tools and techniques. What are they?

- A. Prioritization Analysis, Interdependency Analysis, Cost-Benefit Analysis
- B. Scenario Analysis, Capability & Capacity Analysis
- C. Gap Analysis, Readiness Assessment, Stakeholder Analysis
- D. Strategic Alignment Analysis, Prioritization Analysis, Portfolio Component Inventory

**Answer:** C

**NEW QUESTION 432**

Managing risk is key to the success of any initiative. Risk is considered to be inherent in any activity we do in project management and at any level. Risk is part of project, program and portfolio management and has a different exposure in each and every one. Which of the following highlights this difference?

- A. Project and Programs risks are combined in order to develop the portfolio risk register as an aggregation of both
- B. Risks at project and programs level can be eliminated, but not at portfolio level
- C. Portfolio risks are inter-components risks, while program and project risks are not
- D. Project and Program risks are risks within the boundaries of the project or program, while portfolio risks can span the organizational level

**Answer:** D

**NEW QUESTION 436**

You are the manager for a governmental portfolio aiming to restructure the roads in your country. Having a tight schedule, a large number of stakeholders including the public, in addition to a strict budgeting framework, you know that you will be managing the Communication closely and that the governance board and the stakeholders would want to check on the progress and performance frequently. For this you have developed a robust Communication management plan. Which of the below is used while developing this plan?

- A. Scenario Analysis, Capability & Capacity Analysis, Quantitative & Qualitative Analysis
- B. Elicitation techniques, Capability & Capacity Analysis, PMIS
- C. Elicitation techniques, Communication Requirements Analysis, Stakeholder analysis
- D. Elicitation techniques, Value Scoring & Measurement Analysis, Benefits Realization Analysis

**Answer:** C

**NEW QUESTION 441**

While your organization maintains a decision register after each meeting of the Portfolio Review Board, this register only notes decisions that are made when a component is added to the portfolio or if the Board terminates a component. If the component is terminated, the reason for the termination is not listed. Also if a proposed component is not approved, the reason is not listed. It is evident this register is lacking in its usefulness, which means it requires updating as it is:

- A. In the portfolio management plan
- B. A portfolio process asset
- C. An organizational process asset
- D. Part of the governance model

**Answer:** B

**NEW QUESTION 444**

Based on the data in the following table, your organization should pursue which component:

1	2						
1	3	2	3				
1	4	2	4				
1	5	2	5	3	5	4	5

- A. Component 5
- B. Component 3
- C. Component 2
- D. Component 1

**Answer:** C

#### NEW QUESTION 448

As a portfolio manager you need to continuously balance the need and requirements with the available resources to maintain a balanced portfolio and portfolio resources in order to optimize delivery. One of your key stakeholders came to you asking to skip the manage supply and demand process as you have already prioritized and allocated resources through the strategic management and the governance processes. As a portfolio manager you should

- A. Raise this to the steering committee for approval
- B. Skip the step as the stakeholder is correct and you can always re-do the process as part of managing a strategic change
- C. Continue work and ignore the stakeholder's request as this stakeholder is known to resist change and hates collaboration
- D. Continue your work and perform the manage supply and demand process

**Answer:** D

#### NEW QUESTION 450

Assume you work in new product development, and you believe you have identified a component that will be a breakthrough for the company. However, you performed a capacity analysis with the help of your EPMO to assess resource availability especially in certain skill sets. You learned that key computer scientists required by this component were in short supply, yet you still believe this component should be in the portfolio. To convince the Portfolio Review Board to consider it, you decide to use:

- A. Resource smoothing
- B. Business value analysis
- C. Market analysis
- D. Options analysis

**Answer:** A

#### NEW QUESTION 454

Which of the options is considered part of Enterprise Environmental Factors (EEFs)

- A. High turnover
- B. Fluctuating market rates of raw material
- C. Organizational Changes, Risk Management
- D. Bankruptcy, Project Demand

**Answer:** B

#### NEW QUESTION 458

The governance role in oversight is abundant during planning in order to agree on multiple roles and responsibilities including those of a portfolio manager. The agreements are recorded in the meeting minutes and included as updates to

- A. Portfolio
- B. Portfolio Management Plan
- C. Portfolio Reports
- D. Portfolio Process Assets

**Answer:** D

#### NEW QUESTION 461

Working as a portfolio manager in the Water Resources Department of the U.S. Geological Survey, you are following a scorecard approach to report progress to your executives on the components in your portfolio. You submit the scorecards monthly, and based on their results, your executives decide if a Portfolio Review Board meeting should be held. Your emphasis in these reports is to:

- A. Chart progress toward strategic goals and objectives

- B. Measure performance against targets and thresholds
- C. Display raw data in a visual graph
- D. Display data using a traffic light approach

**Answer:** A

#### NEW QUESTION 465

While managing a program for the banking sector spanning multiple transformational areas. A new portfolio manager comes to you seeking advice on the usefulness of ROI. You tell her that ROI is the best method to measure returns of

- A. Short Duration and High Risk
- B. Long Duration and High Risk
- C. Short Duration and Low Risk
- D. Long Duration and Low Risk

**Answer:** C

#### NEW QUESTION 468

Assuming a portfolio manager position means one has more stakeholders than in program, project, or operational roles. The goal is to identify all interested stakeholders but often overlooked are:

- A. Consumer groups
- B. Alliances
- C. Associations
- D. External resource providers

**Answer:** D

#### NEW QUESTION 469

One of your goals as a portfolio manager is to ensure that your stakeholders receive the information they need for decision making. To help manage the portfolio information that is provided, you decide to gather information by holding portfolio component review meetings. Your purpose in holding these meetings is to:

- A. Ensure the components can provide the data required for status reports
- B. Use them to introduce the portfolio management information system
- C. Validate data that now are in the reports
- D. Work with component managers to plan dashboard reports

**Answer:** C

#### NEW QUESTION 473

Your State Governor is fiscally conservative and has limited significantly the financial resources to be provided to each University in the eight Universities in the State's system. Recognizing your University is going to have a 55% reduction in its budget, your Chancellor is re-evaluating all the work that is under way to see how much it can do with fewer resources. Every department will have layoffs at all levels. However, the University does have a portfolio management process in place, which people support. This means for effective portfolio management:

- A. Each portfolio in the University should have the same restrictions in terms of available funding
- B. An effective resource assignment process is required
- C. Pareto analysis should be used to focus attention on those components with the greatest impact
- D. Portfolio maturity should be a factor in determining plans and decisions

**Answer:** B

#### NEW QUESTION 476

The Portfolio Management Office plays an integral role in Portfolio Management and offers support to the portfolio manager throughout the portfolio life cycle. What is the role of the PMO with respect to the portfolio performance metrics?

- A. PMO does not have a role in the development or update of performance metrics; it should only offer support to Portfolio Manager with the needed templates to develop metrics
- B. The Portfolio Manager develops and updates the portfolio metrics and the PMO approves them
- C. PMO should work hand in hand with the governance board to approve the performance metrics
- D. PMO should be prepared to develop new metrics when appropriate and delete or change metrics that are no longer relevant

**Answer:** D

#### NEW QUESTION 478

As you focus on managing the value of the portfolio, you find that portfolio variance/alert reports are helpful. Assume you have been using a 'traffic light' format as it is easy to prepare, but an objective is to:

- A. Add in blue to show completed components
- B. Show dependencies between components with a different color
- C. Set it up to show the organizational value areas in the company
- D. Use a standardized format across components

**Answer:** D

#### NEW QUESTION 482

As part of the periodical strategic management cycle, the portfolio management team is revising the portfolio and re-doing the strategic management part. Currently, they are assuming and evaluating different combinations of components in order to come up with multiple approaches and take a decision on the portfolio structure. What is currently being performed?

- A. Capability and Capacity Analysis
- B. Scenario Analysis
- C. Stakeholders Analysis
- D. Readiness Assessment

**Answer: B**

#### **NEW QUESTION 483**

Manage supply and demand comes down to balancing the requirements with what is available. Resource requirements are a major input to the manage supply and demand process. Which of the following inputs to this process contains resource requirements?

- A. Portfolio Process Assets (PPAs)
- B. Portfolio
- C. Portfolio Management plan
- D. Portfolio Charter

**Answer: B**

#### **NEW QUESTION 486**

You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you are coaching your team on the same. The Portfolio Risk Management Plan is an important document that is referenced throughout the portfolio life cycle. Which of the following is correct regarding its purpose and focus?

- A. Updates standard criteria to allow the portfolio team to assess the risks that are identified
- B. Identifies recipients for information associated with the portfolio management process
- C. Shows how the portfolio component progress and resource-related issues and risks are integrated with the resource management activities
- D. Articulates the options, preferences, and factors that will be considered in a specific portfolio

**Answer: A**

#### **NEW QUESTION 488**

One of your team members who is particularly interested in becoming a portfolio manager has asked you what is the relation between the Portfolio roadmap and the Programs/Projects roadmaps? What should be your answer to him?

- A. Program and Project roadmaps may be included in the portfolio roadmap
- B. There is no relation whatsoever
- C. Program and Project roadmaps are more detailed and less strategically aligned
- D. Portfolio roadmaps are high level approaches for program and project roadmaps

**Answer: A**

#### **NEW QUESTION 491**

Working to manage portfolio value is a continuous task. In doing so, as the portfolio manager, you review the monthly and any ad hoc reports submitted by component managers. This month you saw there was an excellent opportunity for major cost savings in two components in the top five on the portfolio list; however, to realize this cost reduction, these components require resources to be reallocated from other components in progress for six months. These forecasts then:

- A. Should be verified by independent estimators for accuracy
- B. Require validation by the CFO and his staff
- C. Should be accompanied by an analysis of earned value data to ensure the components are using the same method of reporting
- D. Are recommended for consideration by the Portfolio Review Board

**Answer: D**

#### **NEW QUESTION 492**

Having worked in portfolio management before, you are pleased you were selected to implement it and be the portfolio manager for your motorcycle company, well known throughout the world. As it is a new function, you worked with the Enterprise Program Management Office to ensure you had a complete inventory of the work in progress. Now as you prepared your various portfolio management artifacts, and have a Portfolio Review Board meeting upcoming in two weeks, sponsors will be proposing new components. This means:

- A. A master schedule of resource allocation is needed
- B. The meeting also should focus on reviewing existing components to see if they are aligned with current strategy
- C. People throughout the organization should know about this meeting and its decisions
- D. The meeting should have a set agenda, and each member should be contacted before it to learn of key issues

**Answer: A**

#### **NEW QUESTION 493**

An organization decided to increase its business by 80% and approach new different clients. This strategy is followed because previously this organization was depending with its sales on only one client. With this new approach, you can describe the organization as being

- A. Pessimistic
- B. Risk Averse



- C. Risk Taker
- D. Optimistic

**Answer:** C

#### NEW QUESTION 497

You have been a successful program manager for many years in your State Department of Agriculture. During this time, you managed large programs, and some had major risks to mitigate especially in the information systems area as new software would be released that was commercially available, and you knew it would then enhance the benefits to your customers if you acquired it. You were the first in the Department to get your PfMP, and it led to a promotion to become the first portfolio manager. After a year in this position, you find managing risks and issues to be totally different because:

- A. You must focus attention on external, political risks
- B. You are concentrating more on long-term initiatives
- C. Your focus is on determining the risk tolerances of stakeholders, both internal and external
- D. You emphasize strategic fitness of the portfolio

**Answer:** D

#### NEW QUESTION 502

You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you are coaching your team on the same. Risk Categories, criteria and probability and impact are updated as a result of Developing the Risk Management Plan. These updates are recorded in which of the following?

- A. Portfolio Management Plan updates
- B. Portfolio Process Assets updates
- C. Organizational Process Assets updates
- D. Portfolio Reports

**Answer:** A

#### NEW QUESTION 507

A junior Portfolio manager has come to you for advice. He is hearing a lot about the focus of portfolio management practices, however, he is not sure anymore of the exact answer. What do you, as an experienced portfolio manager tell him?

- A. Portfolio is undertaken to produce deliverables that support specific organizational objectives
- B. Portfolio is undertaken to achieve one or more organizational strategies and objectives
- C. Portfolio is undertaken to achieve benefits
- D. Portfolio is undertaken to handle operational daily activities

**Answer:** B

#### NEW QUESTION 509

You are the manager of a major portfolio with a variety of stakeholders and stakeholder groups. you know that managing communication is key to success and you stress on maintaining a high communication level. You want to start developing your Communication Management Plan and are planning to use

- A. Portfolio Process Assets, Portfolio Charter, Portfolio, Portfolio Management Plan, Enterprise Environmental Factors
- B. Portfolio Process Assets, Portfolio Roadmap, Portfolio, Portfolio Management Plan, Portfolio Reports
- C. Portfolio Process Assets, Portfolio Roadmap, Portfolio, Portfolio Management Plan, Enterprise Environmental Factors
- D. Portfolio Process Assets, Portfolio Charter, Portfolio Reports, Portfolio Management Plan, Portfolio Component Reports

**Answer:** B

#### NEW QUESTION 510

In your architectural organization, each program or project requires some specialized subject matter experts at certain time frames. Because of the interdependencies between components, often these SMEs are needed at the same time. Assume since this is a critical issue in the company, it invested in resource planning and allocating software, and dashboards can be prepared. The goal is to use these dashboard reports to:

- A. Determine whether to use external consultants
- B. Assess specific costs for additional budget
- C. Ensure everyone has access to the software for ease of communication
- D. Assist in scheduling adjustments

**Answer:** D

#### NEW QUESTION 512

You work in a fairly small company where the PMO helps in providing oversight to support the portfolio management. In such organization, where are the PMO structure, responsibilities, and implementation approach documented?

- A. Portfolio Oversight section in Portfolio Management Plan
- B. Communication Management Plan
- C. Governance Model section in Portfolio Management Plan
- D. Strategic Management Plan

**Answer:** A

#### NEW QUESTION 513

Your organization has a defined portfolio management process that it has followed for three years. As the portfolio manager, you keep your various plans up to date, and because of numerous regulatory changes involving the telecom industry, it is time to review and update the risk management plan. You have several key stakeholders working with you as you realize the importance of this plan in maintaining a competitive advantage. One way you and your team are assessing the various risks that may impact the structure of the portfolio is to use:

- A. Portfolio component charts
- B. Portfolio reports
- C. Weighted ranking and scoring techniques
- D. Risk metrics

**Answer: C**

#### NEW QUESTION 515

An urgent review meeting was set due to the discovery of multiple risks which can have drastic effects on the portfolio. As a result of the meeting, it was agreed to increase the portfolio budget and add more resources in order to manage the new risks. Which of the following documents needs to be updated as a result of this decision?

- A. Portfolio Management Plan updates
- B. Portfolio Reports
- C. Portfolio updates
- D. Portfolio Process Assets updates

**Answer: A**

#### NEW QUESTION 519

One of the major resources on your portfolio is needed by two of the components at the same time. This resource has high technical knowledge and is aware of all the business needs. Which of the following tools and techniques can you use in order to solve this issue?

- A. Sequencing Techniques
- B. Capability and Capacity Analysis
- C. Scenario Analysis
- D. Interdependency Analysis

**Answer: A**

#### NEW QUESTION 521

For years, your aerospace company has been a leader in the development of sophisticated avionic hardware systems around the world. The executives want to continue with this well-recognized product line, but also they decided it is time to move into state-of-the-art software to complement the hardware products. You have been asked to assess whether there are skill set limitations in the company to assess resource capacity internally. To do so, you decide to:

- A. Focus on needed competencies and develop competency profiles for the internal staff
- B. Interview staff members based on performance evaluations to determine their interest in the new product line
- C. Work with Human Resources and review the education backgrounds of internal staff and see if people have taken recent training
- D. Set up a contingency plan by asking the Procurement Department to issue a Request for Information to external consulting firms

**Answer: A**

#### NEW QUESTION 522

As part of the new strategic direction, the executive management has decided to create a portfolio for the development of a new product. You have been assigned as the portfolio manager. What should you do as a first step?

- A. Update the Strategic Plan
- B. Update existing portfolio
- C. Develop the Strategic Plan
- D. Check existing portfolios, programs and projects

**Answer: D**

#### NEW QUESTION 524

You have been assigned as a consultant to give your expertise on a failing portfolio which is critical to the success of your client's organization. You are now in the process of reviewing the portfolio management plan. What do you expect to see as part of this plan?

- A. Portfolio Justification, high-level scope and high-level timelines
- B. Vision for the portfolio, which is based on the alignment with the organization's goals and objectives
- C. Balancing portfolio and managing dependencies
- D. The major components of the portfolio which are aligned chronologically to achieve portfolio value

**Answer: C**

#### NEW QUESTION 528

Multiple communication methods are used by the portfolio manager in order to proactively convey messages and engage the stakeholders at the right time and in the right manner. Which tool is used to visually convey multiple messages at the same time?

- A. Efficient Frontiers
- B. Dashboards
- C. Communication Calendar
- D. Resource sheets

**Answer:** B

**NEW QUESTION 532**

When managed correctly, the balanced scorecards can change the way an organization does business. Balanced scorecards keep focus on results. As a portfolio manager, you use the balanced scorecards while developing the Portfolio Management Plan in order to

- A. Ensure alignment to organizational strategy and objectives
- B. Ensure alignment to investment risk, and dependencies
- C. Ensure alignment to expected return on investment (ROI)
- D. All of the options

**Answer:** D

**NEW QUESTION 533**

The existing portfolio manager was replaced by a new portfolio manager and the analysis has shown that the distance between the pessimistic and best case scenario of the new portfolio manager is larger than the old one, which kind of manager is the new one?

- A. Optimistic
- B. Pessimistic
- C. Risk Averse
- D. Risk Taker

**Answer:** D

**NEW QUESTION 537**

Working to ensure the portfolio management process is one that is followed and is embraced has been a major challenge. As the portfolio manager, assume you set up meetings with the Portfolio Governance Group bi-weekly since there is constant change in your telecom company. You also want the portfolio process to be transparent. To do so, a useful tool to communicate status is:

- A. Reports on funding decisions
- B. A governance decision register
- C. The portfolio roadmap
- D. Key portfolio milestones

**Answer:** C

**NEW QUESTION 539**

Your CEO is keen to know the likelihood of the portfolio to realize the expected ROI. You are currently looking for a tool to calculate the probability to achieve portfolio objectives. Which of the following will help you in doing that?

- A. SWOT Analysis
- B. Delphi
- C. Risk Exposure Charts
- D. Investment Choice Analysis

**Answer:** C

**NEW QUESTION 541**

You want to ensure that the Portfolio Review Board is able to make key decisions at each meeting. As the portfolio manager, you and your staff are responsible for scheduling the meetings, providing the agenda, taking minutes, tracking open issues, and documenting and communicating decisions that are made to key stakeholders. Before each meeting, you feel it is a best practice to:

- A. Evaluate if the benefits of the portfolio are aligned with organizational strategy
- B. Provide information about the status of each component of the portfolio
- C. Use a balanced scorecard approach to show contribution to strategy
- D. Provide a 'traffic light' approach to show components by category

**Answer:** A

**NEW QUESTION 543**

Along the course of the portfolio, you will be recommending the initiation, termination and update of components. The governance bodies will be approving or rejecting your recommendations as part of their role in the authorization of the portfolio. As a portfolio manager, which of the following, in your opinion, is the objective/purpose of the Authorize Portfolio Process?

- A. Make Governance Decisions
- B. Allocating resources to develop component proposals or execute portfolio components
- C. Create an up-to-date list of qualified portfolio component
- D. Balance the portfolio for performance and value delivery

**Answer:** B

**NEW QUESTION 546**

Along the course of the portfolio, you will be monitoring and controlling the portfolio along with the related stakeholders and governance bodies. This is done as part of your role in portfolio oversight. As a portfolio manager, which of the following, in your opinion, is the objective/purpose of the Provide Portfolio Oversight Process?

- A. Balance the portfolio for performance and value delivery
- B. Make Governance Decisions
- C. Allocating resources to develop component proposals or execute portfolio components
- D. Create an up-to-date list of qualified portfolio component

**Answer:** B

**NEW QUESTION 548**

One key artifact to review as the portfolio communications management plan is prepared is the:

- A. Portfolio management plan as it shows all elements in it have communications requirements
- B. Portfolio performance plan as it sets forth needed reports and their frequency
- C. Portfolio strategic plan since it shows the need for strategic alignment
- D. Portfolio benefits realization plan to determine reports on progress in benefit realization, transition, and sustainment

**Answer:** A

**NEW QUESTION 550**

Risk management is an integral part of project, program and portfolio management and is invoked throughout the project, program and portfolio life cycle. When it comes to managing portfolio risks, which of the following activities is used

- A. Risk Response
- B. Risk Assessment and Risk Response
- C. Risk Planning
- D. Risk Assessment

**Answer:** B

**NEW QUESTION 553**

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