PMP Question Bank

(1440 Questions)

PMBOK Guide: Fifth Edition
Question Set 1

Total Questions: $10 + 10 + 25 + 10 + 11 + 10 + 26 + 15 = 117$
1. Your developer has provided you with an estimate based on the “cost per line of code”. What type of estimate did the developer use to provide this information?

A. Parametric estimating.
B. Bottom-up estimating.
C. Analogues estimating.
D. PERT estimating.

2. A definitive estimate is:

A. Top-down estimating.
B. Created during initiation.
C. Within a range of -10% to +25% of actual.
D. The most expensive to create.

3. All of the following are inputs to the cross-budgeting process except:

A. cost estimate.
B. project schedule.
C. risk management plan.
D. Deactivate duration estimates.

4. Analogues estimating is a tool technique used in both Time and Cost management process. What is the best description of how analogues estimating is performed?

A. by-bottom-up estimating techniques.
B. obtaining management options for the estimate of each task.
C. by-top-down estimating techniques.
D. based on historical costs.

5. Cost budgeting is defined as

A. the estimated total cost of the Project when done.
B. allocating the cost estimates to the individual work items.
C. developing estimates of the cost of the resources needed to complete project activities.
D. the sum of the approved cost estimates.

6. Due to recent company downsizing, you can only authorize 1 of the 2 projects you really planned to complete this year. You have decided to select the project with the NPV of $95k and proceed to cancel the other project which had an NPV of $37k. What are the opportunity costs associated with this new decision?

A. $37k
B. $95k
C. $123k
D. $58k

7. Analogues estimating is a form of

A. earned value.
B. expert judgment.
C. cost planning
D. parametric modeling.

8. Two projects have exactly the same payback period but project A has a smaller IRR than project B. You should choose
A. project A.
B. project B
C. there is no difference
D. there is not enough information available

9. The expected accuracy level of estimates during the initiation phase of project should be:

A. -25% to +75%
B. -10% to +25%
C. -35% to +75%
D. -10% to +10%

10. Analogues estimating is most accurate when:

A. previous projects are similar in fact not just appearance.
B. there is a relationship between the cost being estimated and known parameter.
C. the historical information used to develop the model is accurate.
D. work items are very small.

ANSWERS

1-A
2-D
3-D
4-C
5-B
6-A
7-B
8-B
9-A
10-A
1. Should historical information be used during resource planning?

A. no, since there is rarely any correlation between resource expectations on one project when compared to another.
B. Yes, as historical information is available can provide insight into what type of resources were required on previous projects of similar nature.
C. No, since historical information is usually misleading given the cost of resources have undoubtively changed since the completion of the prior project.
D. Yes, since historical information can be easily adjusted to accurately determine current project costs.

2. Analogous estimating is a:

A. “bottom-up” estimating technique.
B. “top-down” estimating technique.
C. More costly and more accurately estimating technique.
D. Technique used when you have no subject matter experts available.

3. Cost estimates:

A. Are usually presented at a detailed level.
B. Can be presented in summary of detail.
C. Are summarized for senior management.
D. Are provided in detail for senior management.

4. In cost monitoring, the s-curve depicts the relation between:

A. Schedule completion and time.
B. Cumulative value and time.
C. Schedule completion and value resources.
D. Resources and time

5. In order to produce a cost baseline, the project manager requires:

A. Work packages, work breakdown structure and project schedule.
B. Cost estimates, work breakdown structure and the project schedule.
C. Cost estimates, work packages, and project schedule.
D. Cost estimates, work packages, and work breakdown structure.

6. Which of the following is an indirect cost?

A. Units of production.
B. Lights in the project war room.
C. Tax cost of salary of project developers.
D. Paper purchased by the project.

7. Which of the following methods is not a depreciation method?

A. Units of production.
B. Some of year’s digits.
C. Declining balance.
D. Straight line.

8. An order of magnitude estimate is not also known as
A. a control estimate.
B. a ball park estimate.
C. a conceptual estimate
D. a preliminary estimate.

9. When the expected cash flow s–curve is above the cost performance base line the project manager should

A. investigate the variance to determine if corrective reaction is required.
B. bring the situation to the attention of senior management for action.
C. adjust the cost baseline to reflect the actual cost to this point.
D. do nothing since the project is performing above plan.

10. Cost estimates may also be expressed in hours days etc, as long as

A. it does not result in a misstatement of project cost.
B. the program manager agrees.
C. the unit of measure is consistent within the project.
D. the project manager agrees.

ANSWERS

1-B
2-B
3-B
4-B
5-B
6-A
7-B
8-A
9-A
10-A
1. What is the Delphi technique?
   A. A simulation technique.
   B. A mathematical analysis.
   C. A constrained optimization method.
   D. A consensus technique.

2. What is the process of splitting a deliverable into smaller more manageable parts called?
   A. Scope definition.
   B. Decomposition.
   C. Activity definition.
   D. Activity lists.

3. The WBS helps the team of FOCUS! It is an excellent tool for communications and the basic for developing realistic estimates. You can best describe a WBS as a tool for the tracking of the:
   A. The schedule
   B. Assigned resources
   C. Project costs.
   D. Project scope.

4. The WBS is
   A. A description of the product component and subcomponents.
   B. A breakdown of the project reporting structure.
   C. A structure that defines the scope baseline for the project.
   D. A structure that defines work assignments by organizations.

5. You and several of your key team leader are really struggling with estimating the overall cost of the project. The most probable cause for this estimating difficulty can be contributed to:
   A. Initial poor scope definition
   B. Lack of required resources.
   C. Insufficient funds.
   D. Problems with the overall schedule.

6. Which statement is true?
   A. Ideally one should optimize the schedule once.
   B. Creating a Gantt chart should only be done once when bidding on the project.
   C. Ideally the baseline should only be done once in a project.
   D. Ideally, constraint dates should be done once in a project.

7. Which factors should you consider when adding a resource to your project team?
   A. The impact the resource will have on the cost of the system
   B. The impact the resource will have on the duration of the system
   C. The impact the resource will have on the histogram.
   D. Whether the resource is available, and if it will have impact on the cost and duration of the system.

8. The Delphi method is best suited for:
A. Decision-making  
B. Simulation models  
C. Quality improvement  
D. Team discussions  

9. You are on the project selection team and must decide on only one project to approve. Of the following 2 possible projects which would you select and why?  

Calgary: payback period is 12 months, and NPV is 350  
Toronto: payback period is 24 months, and NPV is 400  

A. project Toronto because the NPV is the highest number.  
B. project Calgary because the payback period is shorter than the project Toronto.  
C. Can not be determined based on the information provided.  
D. project Calgary because the NPV is positive and the payback period is sooner than Toronto.  

10. There are two types of decision models, comparative and constrained, that can be used for the project selection during the initiation process. Of the following decision model examples, which one are categorized as benefit measurement or scoring rating models?  

A. Criteria profiling, weighted factor, Q short, Delphi technique, logical frame work analysis, and linear program programming  
B. Logical frame work analysis and linear program programming  
C. Logical frame work analysis, criteria profiling, weighted factor, Q shorting, and Delphi technique  
D. Criteria profiling, weighted factor, Q shorting, and Delphi technique  

11. You are reviewing several feasibility reports. One report shows a benefit cost ratio of 2.1. This means:  

A. The costs are 2.1 times the benefits.  
B. The profit is 2.1 times the costs  
C. The payback is 2.1 times the costs  
D. The cost is 2.1 times the profit  

12. A project has payback period of 1 and a half years. What does that mean?  

A. It will take the project one and half years before they start to incur costs.  
B. The project will be completed in less than 2 years.  
C. The company will receive the profits for the first one and half years of the project.  
D. It will take the project one and half years to cover the investment and start generating revenue  

13. Your technical team leader who you highly respect has identified a design error that will mostly likely interfere with the meeting documented technical performance objectives. The best action to take is to:  

A. Decrease the performance value to equal the assessed value.  
B. Reduce the overall technical complexity of the project.  
C. Increase the specified value to set a new performance goal.  
D. Develop alternative solutions to the problem.  

14. You are currently working for York Automobile, a market leader in manufacturing cars. Due to a shortage in petroleum based fuel as well as advent of new technology, the company has decided to venture into producing electrically powered cars. This project will be initiated due to:  

A. Market demand
B. Business need  
C. Technological advancement.  
D. Social need.  

15. First thing Tuesday morning, one of your team member drops into your office looking very thrilled. He eagerly tells you he is adding extra functionality to the project without imparting the cost the schedule. As the project manager your first step should be:  
A. Understand what the new functionality will add to the project and then action accordingly.  
B. Implement change control processes to track the change.  
C. Inform the customer of the change to the scope.  
D. Notify the functional manager that scope changes are not approved.  

16. Linear programming is an example of what type of project selection criterion?  
A. Constrained optimization.  
B. Comparative approach.  
C. Benefit measurement.  
D. Simulation.  

17. The “rolling wave” or “moving window” advocates the use of WBS decomposition and is used most frequently in the ____________ process.  
A. Scope verification.  
B. Scope planning.  
C. Scope definition.  
D. Scope reporting.  

18. The engineering department has flagged a concern about the expensive interface cards recommended to purchase for your switch cutover project. They believe they can find a less expensive but acceptable card and submit a change request to do necessary research. Their request is the result of:  
A. Input from a contractor that can supply the same interface card at a cheaper price.  
B. An error or omission in defining the scope of the project.  
C. An error or omission in defining the scope of the project.  
D. A value-adding change.  

19. You are conducting a product analysis in scope planning by prioritizing spoken and unspoken customer wows, wants and needs, translating these needs into technical characteristics and specification to build and deliver a quality product or service by focusing everybody toward customer satisfaction. This process is called:  
A. Analysis system engineering.  
B. Value engineering.  
C. Quality function development.  
D. Function analysis.  

20. Cut puts from the initiation process includes:  
A. Project manager assigned, project character, and product description.  
B. Constraints, assumptions, and product description.  
C. Project character, constraints, and assumptions.  
D. Scope statement, project manager identified, and product description.
21. The scope management process involves all of the following excepts:
A. Continuus validations to ensure all the work is completed.
B. Saying no to work not included in the project or not part of the project character.
C. Giving the customer more than expected.
D. Controlling what is and what is not in the project.

22. As the project manager you will be required to report periodically to upper management on the progress of the project. What item below will you require to report your progress as the basis for the budget, schedule, resource allocation and scope definition.
A. Precedence diagramming method.
B. project character.
C. Work breakdown schedule.
D. Project management plan.

23. Calling on subject matter experts for the judgment, would be, used in which of the following scope management process?
A. Initiation
B. Planning
C. Definition
D. Change control.

24. You have negotiated a major deliverable with a contractor several of your colleagues have utilized in the past without problems. Its is critical the contractor meet an August 15th deliverable. This is an example of (n):
A. Objective
B. Goal
C. Constraint.
D. Assumption.

25. All of the following are tools for the scope verification excepts:
A. product reviews.
B. audit.
C. product analysis.
D. walk-throughs.

ANSWERS

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>D</td>
<td>11.</td>
<td>C</td>
</tr>
<tr>
<td>2.</td>
<td>A</td>
<td>12.</td>
<td>D</td>
</tr>
<tr>
<td>3.</td>
<td>D</td>
<td>13.</td>
<td>D</td>
</tr>
<tr>
<td>4.</td>
<td>C</td>
<td>14.</td>
<td>A</td>
</tr>
<tr>
<td>5.</td>
<td>A</td>
<td>15.</td>
<td>A</td>
</tr>
<tr>
<td>6.</td>
<td>C</td>
<td>16.</td>
<td>A</td>
</tr>
<tr>
<td>7.</td>
<td>D</td>
<td>17.</td>
<td>C</td>
</tr>
<tr>
<td>8.</td>
<td>A</td>
<td>18.</td>
<td>D</td>
</tr>
<tr>
<td>10.</td>
<td>D</td>
<td>20.</td>
<td>C</td>
</tr>
<tr>
<td>21.</td>
<td>C</td>
<td>22.</td>
<td>C</td>
</tr>
<tr>
<td>23.</td>
<td>A</td>
<td>24.</td>
<td>D</td>
</tr>
<tr>
<td>25.</td>
<td>C</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To download 1400 other real PMP Exam questions and answers click here.