



PMI

Exam Questions PfMP

Portfolio Management Professional (PfMP)

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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

Assume you are the portfolio manager for a company that specializes in software, including portfolio management software. It has many components under way to enhance the existing product line but also to move the company into Cloud computing. You regularly prepare reports on the portfolio status but lately have had a large number of stakeholders request ad hoc reports. You decided to survey your stakeholders to learn about their information needs. You next decided to hold some one-on-one interviews with several interested and influential stakeholders in terms of communications requirements. From these interviews you are concerned that some stakeholder groups may be missing so you decided to:

- A. Conduct another survey
- B. Hold some lessons learned sessions
- C. Have a brainstorming session
- D. Convene a focus group

Answer: C

NEW QUESTION 3

Communication is one of the largest activities that the portfolio manager does along the portfolio lifecycle. As an experienced portfolio manager, you know that communication and information needs vary between portfolios, programs and projects. How do you define the difference in those three levels of Project Management?

- A. Communications at a Program level are more diversified than at project and portfolio levels Communications at a Portfolio level are more diversified than at project and program levels
- B. Communications at a Project level are more diversified than at portfolio and program levels
- C. Criticality of the communication with relation to the organization is highest at a project level as the business value is acquired at this level

Answer: B

NEW QUESTION 4

Values assist in guiding actions, evaluations, and decisions. Assume your organization is considering entering into a consortium to produce a helium-controlled 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 5

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 used throughout the portfolio life cycle; when it comes to developing the portfolio communication management plan, which of the following options is correct

- A. The portfolio roadmap helps with the understanding of the structure of the portfolio and interdependencies among the portfolio components
- B. The portfolio roadmap is necessary for this process because it summarizes strategic objectives, evolving aspects of the strategy by organizational areas, portfolio milestones, dependencies, challenges, and risks
- C. The portfolio roadmap provides a high-level timeline for expected portfolio component delivery
- D. The portfolio roadmap provides the high-level strategic approach in a chronological fashion for portfolio management execution

Answer: A

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

While defining the portfolio mix, the portfolio manager performs a categorization of the portfolio components based on multiple categorization criteria. Which of the following is considered as a portfolio component category?

- A. Continuous Improvement
- B. Risk Reduction
- C. All of the options
- D. Process Improvement

Answer: C

NEW QUESTION 8

You have been asked to be the manager for a governmental portfolio, and your starting point should be tendering a strategic plan to the board for validation and approval for continuation. Which documents/artifacts do you have debuting the portfolio that you can use to develop the strategic plan?

- A. Prioritization analysis, portfolio process assets, portfolio roadmap
- B. EEF??s, portfolio component inventory, organizational process assets
- C. Organizational strategy and objectives, inventory of work, portfolio process assets
- D. Portfolio charter, portfolio roadmap, organizational strategy and objectives

Answer: C

NEW QUESTION 9

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. 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 10

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

Companies adopt project, program and portfolio management practices to enable the realization of business value and the achievement of strategies and objectives. In order to advance the organizational capability and facilitate the alignment of these practices, the company should (choose the best answer)

- A. Strengthen the organizational enablers such as cultural, technological and human resource practices
- B. Perform a detailed strategic planning
- C. Establish a PMO to support those practices
- D. Strengthen the processes and procedures of project, program and portfolio management

Answer: A

NEW QUESTION 15

You are the manager for a governmental portfolio aiming to restructure the roads in your country. Having a large number of stakeholders including the public, 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 expected to be found in this plan?

- A. Organization areas and organization structure
- B. Introduction (goals, objectives, strategies, and tactics)
- C. Communication objectives
- D. Portfolio structure including a listing of the various portfolio components and other work

Answer: C

NEW QUESTION 19

The portfolio management information system (PMIS) is often a collection of spreadsheets rather than automated tools. An effective PMIS enables the portfolio

manager to define, analyze, design, produce, and manage systems to support a successful portfolio. Which of the following is a trait of a PMIS?

- A. Recording Stakeholder opinion
- B. Archiving legal data
- C. All of the options
- D. Learning hub

Answer: B

NEW QUESTION 21

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 25

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 27

CORRECT TEXT

As you prepare a list of possible components for your railroad to consider since most of its programs and projects are large and complex, your management team has suggested in your analysis of which components to pursue that you conduct statistical simulations of budgets, schedules, and resource allocations. You therefore decide to use:

- A. Net present value
- B. Decision trees
- C. Monte Carlo analysis
- D. An interrelationship diagram

Answer: C

NEW QUESTION 31

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 36

You have just recommended the Portfolio Strategic Plan and Portfolio to the governance board for approval. The portfolio board members informed you that they did not find what they were looking for in the strategic plan and that it needs to be reworked. What should have been part of your Strategic Plan?

- A. Allocation of funds for different types of initiatives
- B. List of components with their detailed information
- C. Timelines and Schedules
- D. Governance Model

Answer: A

NEW QUESTION 40

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 42

In order to guide the work and correctly manage the portfolio, one of the major documents to be prepared is the Portfolio Management Plan acting as guideline for portfolio management. What are the tools and techniques you could use while developing this plan?

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

Answer: A

NEW QUESTION 46

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 48

You are the portfolio management for a big corporate with existence in 3 continents. While planning the performance management and in particular the dashboards and reporting tools, which of the following options is the most important to account for the different geographical locations?

- A. Organizational Process Assets
- B. Portfolio Process Assets
- C. Enterprise Environmental Factors (EEFs)
- D. A good sponsor to back you up

Answer: C

NEW QUESTION 49

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 50

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 53

A new regulatory mandate has been imposed by the government which highly affected your portfolio. Multiple regulatory components are requested to be added to the portfolio in order to comply with new governmental bank regulations. Initiating these components requires permission from

- A. Portfolio Manager
- B. Portfolio Sponsor
- C. Portfolio Governance Board
- D. Portfolio Components' teams

Answer: C

NEW QUESTION 54

After the second shutdown of the Government, your Agency Administrator realized that some essential programs had to continue even during the shutdown, some existing work along with some programs and projects in the pipeline perhaps were not needed, and resources may require reallocation. This example shows the:

- A. Need to reconsider portfolio selection criteria
- B. Need to revise the portfolio mix
- C. Importance of regular reviews by the Portfolio Review Committee
- D. Need to reevaluate the entire portfolio management cycle

Answer: B

NEW QUESTION 58

During a portfolio review meeting, the steering committee has decided on the inclusion of a new project to re-align the portfolio with its strategic objectives, what do you do before and after the meeting?

- A. Update the decision; write the Minutes Of Meeting
- B. Change request; communicate the decision to all stakeholders in the portfolio
- C. Write the Minutes Of Meeting; update the decision
- D. Change request; communicate the decision to related stakeholders listed in the communication management plan

Answer: D

NEW QUESTION 62

Assume you work for a technology company that is publically owned, and the value of its stock is tracked daily by the CFO and is reported to the portfolio manager. Quarterly meetings are held with stockholders as the company went public through an Initial public offering (IPO) last year. These stockholders:

- A. Have different communications requirements than other stakeholders
- B. Typically receive information as to the portfolio health before each meeting
- C. Want to attend all Portfolio Review Board meetings
- D. Are considered external stakeholders

Answer: D

NEW QUESTION 64

Stakeholders are an integral part of the portfolio. The portfolio manager will work with the stakeholders to plan, execute and eventually deliver and close the portfolio. While developing the performance management plan, the portfolio manager plans a series of sessions with key stakeholders to define Key Performance Indicators (KPIs). What are these sessions collectively referred to in a portfolio?

- A. Capability and Capacity Analysis
- B. Communication Methods
- C. Elicitation Techniques
- D. Communication Requirements Analysis

Answer: C

NEW QUESTION 67

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 72

The portfolio management process ensures the components are aligned to goals. However, it is driven by:

- A. Viability
- B. Value and benefits
- C. Organizational strategy and objectives
- D. Interdependencies and resource constraints

Answer: C

NEW QUESTION 74

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 78

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 81

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 84

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 86

Assume you are working to ensure your organization has a balanced portfolio. You have decided to use a bubble diagram and have set it up to show the components in terms of: ease of execution [difficult or easy] and component importance [high or low]. In such an approach, bubbles are used to:

- A. Visualize components
- B. Frame the balancing problem
- C. Provide scores as outputs
- D. Focus on existing components

Answer: A

NEW QUESTION 87

You are managing a large construction portfolio. Recently, and due to budget cuts, you have been having resources issues on multiple initiatives and has been struggling with maintaining a healthy resource allocations. You are currently analyzing the capability and capacity for scarce machinery resources shared across three major programs in the portfolio. What are you currently applying?

- A. Finite Capacity planning
- B. Resource Schedules
- C. Resource Management Tools
- D. Resource Smoothing

Answer: A

NEW QUESTION 88

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 90

Your company is currently on the verge of bankruptcy due to the lack of transparency within the organization; this alerted the CEO to take decisive actions and request that new reporting lines be established in order to be fully transparent. Following this, the portfolio structure has changed to cope with the new reporting lines. Where is this change reflected when it comes to portfolio documents?

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

Answer: A

NEW QUESTION 92

Assume you are the portfolio manager for a telecommunications company. Your company was about to launch a new and easy to use smart phone with more features than any existing phones on the market at a lower price. However, although the phone was due to market in five days, the Federal Communications Commission issued today a regulation that would make your new phone not available for use in airplanes. Thus additional work must be done, and your executives are wondering whether a new phone should be developed for this new feature. You are ensuring that if a new phone is developed, or if the almost completed product is not to be marketed, there is still alignment to the organization's strategy. As you complete an analysis of alternatives, you also should ensure results of the analysis are reflected in the:

- A. Benefits realization plan
- B. Portfolio process assets
- C. Portfolio roadmap
- D. Portfolio performance plan

Answer: B

NEW QUESTION 95

Managing value is key to success as portfolio are undertaken to ultimately deliver an outcome that is strategically aligned and which delivers value to the organization. While managing value, the portfolio manager invokes the Benefits Realization Analysis activity. Which of the following is part of this activity?

- A. Assessing Changes, dependencies and impacts
- B. Indicating Resource bottlenecks and over or under allocations
- C. Allowing the portfolio's governing bodies to evaluate the expected net benefits of a given portfolio or portfolios to prioritize portfolio efforts
- D. All of the options

Answer: C

NEW QUESTION 96

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 101

Obviously resources are more than people and include physical resources and those at the organizational level, such as the knowledge management system, helpful in portfolio management in terms of competitive intelligence. However, since most organizations operate with scarce resources, it is necessary to apply these scarce resources to support the highest ranked items in the portfolio and not to fund a proposed component unless resources are available to support it. Therefore, it is useful to determine at a collective level whether or not resources will create value greater than the cost of creating it. A portfolio report can focus on:

- A. Allocation of resources according to a Responsible, Accountable, Consulted, Inform (RACI) chart
- B. The need for drum resources and buffers to plan for their use at key times
- C. Capability and capacity
- D. Costs to acquire resources with needed knowledge, skills, and competencies

Answer: C

NEW QUESTION 106

Stakeholders have complained to you that they are receiving redundant information and they prefer that you fix the issue promptly as it is time consuming for them. What is your best course of action?

- A. Explain to the stakeholders why it is important that they keep receiving this information
- B. Re-assess and re-write the Communication Management Plan after analyzing the stakeholders again
- C. Escalate the issue to the governance board and ask them to take a decision regarding it
- D. Update the communication matrix and remove them from it

Answer: A

NEW QUESTION 107

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 performing risk assessment and handling risk responses, how can you make use of the quantitative and qualitative analysis?

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

Answer: D

NEW QUESTION 108

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 113

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 114

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 117

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 119

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 in the process of monitoring the portfolio to ensure alignment with organizational strategy and objectives and make governance decisions. What do you expect as an outcome to this?

- A. Portfolio Updates, Portfolio Management Plan updates, Portfolio Reports, Organizational Process Assets update
- B. Portfolio Updates, Portfolio Management Plan updates, Portfolio Reports, Portfolio Process Assets update
- C. Portfolio Updates, Portfolio Management Plan updates, Portfolio Reports, Organizational Process Assets update, Portfolio Process Assets update
- D. Portfolio Updates, Portfolio Strategic Plan updates, Portfolio Reports, Organizational Process Assets update, Portfolio Process Assets update

Answer: B

NEW QUESTION 122

You are currently in the process of defining a portfolio by forming the qualified list of components that will be later evaluated, selected and prioritized. What do you expect as outputs from this process?

- A. Portfolio Management Plan updates, Portfolio Roadmap updates, Portfolio updates
- B. Portfolio Management Plan updates, Portfolio Roadmap updates, Portfolio updates, Portfolio Strategic Plan updates
- C. Portfolio Strategic Plan updates, Portfolio Roadmap updates, Portfolio updates
- D. Portfolio Strategic Plan update, Portfolio Management Plan updates

Answer: A

NEW QUESTION 123

Risks perspectives differ within the organization between executive management, operations management, portfolio management and project/program management. When it comes to Operations management, which of the following is a risk concern?

- A. Issues with Product development
- B. Time to market
- C. Reporting and data accuracy

D. Time, cost and scope commitments

Answer: A

NEW QUESTION 125

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. 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 126

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 131

Your company has multiple portfolios on the way and a variety of different clients and industries. Risk levels are high due to recent governmental regulations and the company has recently been penalized due to a non-compliance to one of the standards. You know that you need to closely managing this. As a result, you will be come out with

- 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, Portfolio 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 Reports

Answer: D

NEW QUESTION 135

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 138

Assume you are a member of your company's Portfolio Review Board. Your Board meets quarterly to determine which new components to undertake and selects them even if it means the portfolio then will require rebalancing. As you consider the proposed business case for a component and assess the suggestions of the other Board members, a key factor is:

- A. The depth of the proposal in terms of identification of key benefits
- B. Total available resources
- C. Overall stakeholder interest
- D. Component feasibility studies

Answer: B

NEW QUESTION 143

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 146

Performance reporting is important in a program and usually, the portfolio manager aggregates performance information from the portfolio components in order to present the related reports. Which of the following measures can be used in performance reporting?

- A. Earned Value
- B. Cost Sunk
- C. All the options
- D. CPI and SPI

Answer: C

NEW QUESTION 151

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 156

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 157

Your executive management has been recently undergoing a change from a functional organization to a projectized one and is currently assessing the volume of work that the organization can execute. Which of the following tools and techniques will decide the volume of work and components that the organization can execute?

- A. Weighted Ranking and Scoring
- B. SWOT Analysis
- C. Capability and Capacity Analysis
- D. Quantitative & Qualitative Analysis

Answer: C

NEW QUESTION 160

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 164

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 performance 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 performance management plan. What is expected to be found in this plan?

- A. Identified stakeholder expectations
- B. Resources required by type and quantity
- C. Resource optimization and Benefits Realization
- D. Portfolio Vision and measurable goals and guidance

Answer: C

NEW QUESTION 167

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 169

While managing portfolio value, you met with stakeholders and discussed how to address the strengths and weaknesses in order to ensure benefits are comprehensively and holistically taken into consideration. Which of the following tools and techniques are you performing?

- A. Quantitative & Qualitative
- B. SWOT
- C. Benefits Realization
- D. Value Scoring & Measurement

Answer: B

NEW QUESTION 170

Working previously in the financial industry and studying finance and risk in graduate school, you are familiar with Markowitz's Efficient Frontier theory. Now assume you are the portfolio manager for a state government agency. Your agency has a reputation of being risk adverse but given recent budget cuts, you have convinced your executive team it needs to pursue some new programs and projects to demonstrate its benefits to the state. You decided to apply the Efficient Frontier concepts to show them the current state of its components in terms of risk and associated costs. You explained the portfolio is efficient if it has:

- A. A mix of components—from high risk/high return to low risk/low return
- B. The ability to quantify the value of risk in monetary terms
- C. The possible overall portfolio value with the greatest possible benefits
- D. The best possible expected level of return for its level of risk

Answer: D

NEW QUESTION 174

While managing portfolio communications, the portfolio manager needs to account for the communication needs of the component teams in order for them to stay in the loop of the big picture. Which of the following can be of interest to this group of stakeholders?

- A. To know about the portfolio changes, risks and issues that may affect their components
- B. To be informed regularly of the portfolio progress so they can adjust their work accordingly
- C. To be informed of all portfolio changes so they can assess which changes affect their components
- D. To know about the portfolio changes, risks and issues that may affect their components, and to do interdependency management in order to cover any dependent component's issues

Answer: A

NEW QUESTION 176

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 181

The PMO in your company is newly established and one of its first results was allowing the portfolios to use a new communication method to disseminate the information faster. With relation to your portfolio, where should this new communication be stored?

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

Answer: C

NEW QUESTION 186

One of your team members came to you asking about the risk "Watch List"; he heard this term in a meeting on risk analysis and did not know what it meant. What will your advice to your team member be?

- A. Watch Lists include the risks with low probability and low impact that do not require further analysis
- B. Watch Lists include the risks with low probability and high impact that needs to be watched closely
- C. Watch Lists include the risks with high probability and low impact that needs to be watched closely
- D. Watch Lists include the risks with high probability and high impact that needs to be watched closely

Answer: A

NEW QUESTION 187

While managing the portfolio value, it is important to know the different roles of responsibilities and accountabilities for the actual benefits realization in order to be able to aggregate the correct value from different components; in which document are these roles and responsibilities mentioned?

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

Answer: B

NEW QUESTION 188

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 192

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 196

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 199

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 helps in assessing the capability of the organization to undertake the portfolio with its new strategic direction, and what is needed to be done?

- A. Interdependency Analysis
- B. Readiness Assessment
- C. Capability and Capacity Analysis
- D. Gap Analysis

Answer: B

NEW QUESTION 202

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 203

As you are the portfolio manager for your state government agency, which is undergoing a series of budget cuts, you are focusing attention on managing risks to the portfolio as the budget is reduced. You realize in this process the time and budget for risk management also will be reduced; these data are in the:

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

Answer: C

NEW QUESTION 204

Portfolio Governance is important in a portfolio to maintain correct alignment, monitor and control performance and status, reshuffle the mix of components as found necessary, etc. Governance management includes which of the following processes?

- A. Develop Portfolio Communication Plan
- B. Optimize Portfolio
- C. Develop Charter
- D. Manage Supply & Demand

Answer: B

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 are coaching your team on the same. You are currently in the process of developing the risk management plan. Which of the following activities will you be performing?

- A. All of the options
- B. Risk Response
- C. Risk Assessment
- D. Risk Planning

Answer: D

NEW QUESTION 211

You are in the process of planning the portfolio for a major client and wanted to put an extra effort on planning for managing the performance as the portfolio has a lot of technical aspects and correct performance management is key to success. What tools and techniques can you use for this purpose?

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

Answer: B

NEW QUESTION 212

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. Which of the below helps in optimizing the supply and demand?

- A. Minimize both the unused capacity and the unmet demands
- B. Maximize both the unused capacity and the unmet demands
- C. Maximize the unused capacity and minimize the unmet demands
- D. Minimize the unused capacity and maximize the unmet demands

Answer: B

NEW QUESTION 214

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 215

Your company has had a portfolio management process in place for five years at the enterprise level, in its business units, and even in its complex programs. This year the company's Center for Excellence received an award for its work in this area from PMI®. As the Portfolio Manager, you have predefined metrics in place, which are critical because:

- A. They show transparency at all levels
- B. They provide stakeholders with critical information on the health of the portfolio
- C. They show the link of each initiative to the company's strategic goals
- D. They provide insight into the processes being used

Answer: D

NEW QUESTION 217

As the portfolio manager in the third largest automotive manufacturer in your country, you have a large number of components especially new vehicles each year but also support for dealers, advertising, maintaining the brand image, increasing market share plus continuous improvement initiatives. You have contingency reserve to use to prepare to handle any risks that may occur, which is based on:

- A. Expected monetary value
- B. Return on investment
- C. Expected financial benefits
- D. Equity protection

Answer: D

NEW QUESTION 218

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 221

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 advise 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 222

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 227

A key role for portfolio management is to balance the use of resources following the need against the existing skill-set. One of the component managers told you that an important SME on his program is traveling and there is no replacement for her. This will cause a major delay in the program. What is your first step as a portfolio manager?

- A. Do interdependency management and see the impact
- B. Send a broadcast report to all components informing them of the issue
- C. Ask him to do a quick recruitment and hire someone to solve the issues
- D. Tell him that he needs to find out a solution and that you will be ready for any assistance needed

Answer: A

NEW QUESTION 231

Having worked in portfolio management for several years, assume you were hired as the portfolio manager for a Real Estate Investment Trust, one of the largest in your country that specializes in apartments. The company continues to grow and wants to maximize value and profits for its investors. As you set up processes and procedures for portfolio management, you know from past experience that buy in from executives is insufficient. As you prepare a communications strategy, you focus on:

- A. Satisfying important information needs of stakeholders
- B. Surveying stakeholders through a questionnaire to determine information requirements
- C. Using focus groups to assist in determining information needs
- D. Focusing first on the executive team's communications requirements and then involving others

Answer: A

NEW QUESTION 232

A number of components proposals are on the table as a result of the strategic planning cycle. While defining the portfolio, you wanted to make a preliminary screening of the proposed components in order to filter them based on the acceptance criteria. Which of the following techniques you use?

- A. Weighted ranking and scoring
- B. Categorization technique

- C. Portfolio Component Inventory
- D. Prioritization

Answer: C

NEW QUESTION 236

As the portfolio manager, you must engage stakeholders and build and maintain outstanding relationships with them as much as possible. After identifying and classifying them, you want to make sure you provide the specific information each stakeholder group requires. Therefore you prepare:

- A. A communications strategy matrix
- B. A communications matrix
- C. A reporting frequency matrix
- D. A stakeholder matrix

Answer: D

NEW QUESTION 241

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 244

Your sponsor is under a lot of pressure from the management because the portfolio has been hit by multiple risks already and the situation is going towards its termination. Your sponsor asked you to prepare him an analysis to show the probable ROI and the confidence level in it. Which approach is the best one in this case?

- A. Scenario Analysis
- B. Monte Carlo Analysis
- C. SWOT Analysis
- D. What-if Analysis

Answer: B

NEW QUESTION 249

The Portfolio Performance Management Plan is an important document that is referenced throughout the portfolio life cycle. Which of the following is correct regarding the Portfolio Performance Management Plan purpose and focus?

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

Answer: B

NEW QUESTION 254

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 258

As vision is the desired end state, it requires specific strategies to attain it. These strategies are best achieved by establishing:

- A. Outcomes
- B. Key performance indicators
- C. Critical success factors
- D. Goals

Answer: D

NEW QUESTION 259

Your company has a stated policy that all stakeholders are to be treated in an ethical manner. It is one of the largest project management training firms in the world and is a Registered Educational Provider with the Project Management Institute as well as with other associations. It is active in portfolio management to ensure it is offering the most beneficial products and services, both leading edge and traditional, to its customers. Its policy toward its stakeholders is:

- A. Documented in the stakeholder expectations plan
- B. Considered as a legitimate right
- C. Part of the portfolio communications strategy
- D. A portfolio governance process

Answer: B

NEW QUESTION 261

Programs and projects in your company, one of the largest banks in the world, are required to submit metrics as to their individual progress each month. To simplify the collection and reporting process, you held interviews with members of the Portfolio Review Board to see their areas of greatest interest and also with program and project managers to determine how difficult it would be to collect the data. You then selected 10 possible metrics to the Board, with a goal that five would be regularly reported. It is important to note that:

- A. Quantitative metrics are preferable
- B. The value is realized when components are used
- C. Customer satisfaction is the most important goal
- D. If components have interdependencies with other components, their metrics should be reported as a group

Answer: B

NEW QUESTION 264

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 268

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 269

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 271

As part of the strategic alignment, you Evaluate organizational strategic goals and objectives using document reviews, interviewing, and other information gathering techniques in order to

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

Answer: A

NEW QUESTION 276

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 278

You are a portfolio manager for a company with volatile market conditions and continuous strategic changes. It is always important for you to use methods such as simulation techniques, flowcharts and decision trees to be able to balance the portfolio with the actual needs. Which of the following tools and techniques you are using in this case?

- A. SWOT Analysis
- B. Cost-Benefit analysis
- C. Probability Analysis
- D. Capability and Capacity Analysis

Answer: C

NEW QUESTION 283

Two functional managers within your portfolio are arguing about one scarce resource, and each one is claiming that the resource should be assigned to them. What should you do as a portfolio manager in order to solve this issue?

- A. Perform a capacity and capability analysis and tender the recommendation on resource allocation to the governance board
- B. Sit with the two functional managers privately and let them agree on a solution
- C. Perform a capacity and capability analysis in order to allocate the scarce resource
- D. Do prioritization analysis and allocate the resource accordingly

Answer: D

NEW QUESTION 286

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 is the expected outcome from managing supply and demand?

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

Answer: B

NEW QUESTION 288

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. Which of the following techniques uses historical data to determine if resource requirements have been consistently underestimated?

- A. Lessons Learned Analysis
- B. Requirements Analysis
- C. Trend Analysis
- D. Value Scoring & Measurement

Answer: C

NEW QUESTION 293

Establishing a portfolio management process starts with the development of the organizational portfolio management implementation plan. Which of the following helps while developing this plan?

- A. A proficient management team commitment to the effort
- B. All of the options
- C. A planned approach to change organizational behavior that includes a balance of strong leadership and management
- D. A planned approach for incrementally developing and implementing portfolio management processes

Answer: B

NEW QUESTION 295

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 300

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 305

You are currently using a Comparative Advantage Analysis and conducting a what-if analysis to consider how the portfolio component and its intended benefits could be achieved by various options, including resource capability and capacity mix. In which process are you currently working?

- A. Manage Portfolio Information
- B. Optimize Portfolio
- C. Manage Portfolio Value
- D. Manage Supply & Demand

Answer: C

NEW QUESTION 310

Moving from project management to program management and now being appointed as the first portfolio manager in your cyber warfare company, you know you always wondered what happened to the various reports you had to prepare, and the metrics you had to collect. You are working now to determine critical metrics for portfolio management and decided to involve as many people as possible through questionnaires and surveys. You also held some focus groups. The purpose is to:

- A. Ensure the metrics that are collected support the SMART principle
- B. Maximize portfolio value
- C. Represent the vital few rather than the trivial many
- D. Can be gathered with minimal disruption

Answer: B

NEW QUESTION 312

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 317

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 319

Your company changed its executives due to the lack of benefits realization and previous corruption issues. The new management has informed you that as of now, this will not change any process in the portfolio and everything will remain the same. However, only the risk tolerance for the organization will be impacted, what will you do as a portfolio manager?

- A. Perform stakeholders analysis once again and change the organization risk tolerance in the portfolio communication management plan
- B. Update the Strategic Plan
- C. Assess the impact of the change along with the new management
- D. Revise the roadmap to change the timeline due to the new risk profile

Answer: B

NEW QUESTION 323

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 328

You are the portfolio manager in a large organization including a diversity of stakeholders. From the start, you knew the importance of correctly managing the stakeholders requirements and concerns and you grouped them in order to

- A. Group stakeholders as internal and external
- B. Facilitate stakeholders identification
- C. Group stakeholders from the same functional area
- D. Group stakeholders having same concerns and interests

Answer: B

NEW QUESTION 331

Chartering a portfolio is a major step in getting the needed authorizations to execute the portfolio. You 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 336

Enterprise environmental factors (EEFs) may constrain portfolio management options and may have a positive or negative influence on the outcome. Which of the following is not considered part of the EEFs?

- A. Personnel administration
- B. Stakeholder risk tolerances
- C. Existing human resources
- D. Component Managers Roles and Responsibilities

Answer: D

NEW QUESTION 340

As a portfolio manager and in the aim of defining the preliminary list of components to be included in your portfolio, which will serve as a starting point for developing a portfolio. You start by identifying existing and potential portfolio components by reviewing documentation such as business plans/proposals in order to

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

Answer: B

NEW QUESTION 344

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 348

In a portfolio, data is an abundant asset, and managing the information aiming for a better decision making is critical. Information is considered to be the link between the portfolio activities and entities. You are currently collecting, analyzing, storing, and delivering portfolio information to stakeholders in accordance with their requirements. What can help you in doing this?

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

Answer: C

NEW QUESTION 350

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 355

After the stakeholder analysis is complete, a best practice is to put stakeholders into a matrix to develop a communications management strategy. A simple but useful approach is to set it up to show:

- A. Level of authority and level of interest
- B. Level of authority and level of involvement
- C. Level of influence and level of impact
- D. Level of influence and level of interest

Answer: D

NEW QUESTION 356

You are managing a highly technical portfolio and are already mid-way through the implementation. You know that the communication is key to success as all the involved parties and stakeholders have a high technical exposure and you should maintain their buy-in along the lifecycle. Part of your activities is to collaborate with stakeholders to reach a common ground and to resolve conflicts. Which of the following is considered a collaboration technique?

- A. Interview and observation survey techniques
- B. All of the options
- C. Focus groups and brainstorming activities
- D. Polling input from a team as a consensus or majority vote

Answer: D

NEW QUESTION 361

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 363

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 367

Assume your telecom company is time constrained and needs to be first to market with new smart phones with features that are different from those of the competition and also have the traditional features desired by your existing customers. The Portfolio Review Board meets weekly to assess performance and to consider new components. Lack of technical resources is a recurring issue. To make the case for acquiring new resources, you decided to assess capability and capacity. This approach is:

- A. Part of the PMIS
- B. Included in finite capacity planning and reporting
- C. Used to prepare a detailed forecast of ongoing and future capability needs
- D. Used to identify resource capacity and capability

Answer: B

NEW QUESTION 370

Being a portfolio manager, you realize that defining value differs among organizations based on the type of organization and its strategic goals and objectives. However, you know a value measurement framework is helpful as it:

- A. Compares expected value across components
- B. Shows value in terms of tangible benefits
- C. Indicates how to best weight and score a component to authorize it
- D. Sets a baseline for a component's expected value

Answer: A

NEW QUESTION 375

As a portfolio manager you try to use all the information available to you in order to get the best out of the existing information and to better plan and manage the portfolio. The Enterprise Environmental Factors are important and referenced throughout the portfolio life cycle. Which of the following is correct regarding their purpose and focus?

- A. Forecasts how and when the portfolio will deliver value to the organization
- B. High-level prioritization mapping of the portfolio
- C. Organization's overall governance processes
- D. Establish communication requirements

Answer: C

NEW QUESTION 380

As the Director of Human Resources, you were pleased to be asked to join the Portfolio Steering Committee in your organization as you feel you can contribute given the scarce subject matter experts as your company begins to enter a new market in children's toys rather than its main focus on video games and apps. Children's toys will represent a new portfolio in the company. However, while you will concentrate primarily on the resource allocation issue as you work to determine the types of projects and programs to pursue, it is important as well to recognize that:

- A. External procurements may be needed to acquire the SMEs
- B. The budgets allocated for day-to-day activities may be impacted
- C. The existing portfolio's prioritization criteria will definitely require changes
- D. The benefits from existing programs under way may not be realized

Answer: B

NEW QUESTION 385

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 387

When we talk about portfolios, programs and projects, it is inevitable to mention the business value which is the sum of tangible and intangible assets of an organization, also known as the net quantifiable benefit.

When it comes to business value, at which level of the organization is the pursuit of Business Value optimized?

- A. Program
- B. Portfolio
- C. Operational
- D. Project

Answer: B

NEW QUESTION 391

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 396

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 developing the charter, and in order to complete the portfolio structure, the capability and capacity analysis is used to

- A. Measure the internal resource capacity and establish the external resources availability
- B. Measure internal and external resources capabilities and capacities
- C. Measure the internal resource availability and establish the external resources capacity
- D. Measure availability and capability of internal resources and forecast the use of external resources

Answer: A

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 403

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 405

The sponsor came to you asking for a high level timeline to depict the approach that you will take to execute this portfolio. What tools and techniques is useful in your case?

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

Answer: D

NEW QUESTION 407

Assume before you prepared your portfolio management plan for your company that you did some benchmarking and learned that if you used elicitation techniques it was useful in the portfolio development stage and before there were significant scope changes because of strategy changes to the portfolio. You decided to involve the Portfolio Review Board members, other key stakeholders, and some subject matter experts in this process and then decided to poll input from the group as a majority vote. This meant you were using:

- A. Collaboration techniques
- B. Facilitation techniques
- C. Interviews and observations
- D. Negotiation techniques

Answer: A

NEW QUESTION 410

You are currently in the process of allocating resources to develop component proposals, authorizing components to expend resources and to communicate portfolio decisions. What do you expect as outputs of this process?

- A. Portfolio Updates, Portfolio Management Plan updates, Portfolio Reports, Organizational Process Assets update
- B. Portfolio Updates, Portfolio Management Plan updates, Portfolio Reports, Organizational Process Assets update, Portfolio Process Assets update
- C. Portfolio Updates, Portfolio Management Plan updates, Portfolio Reports, Portfolio Process Assets update
- D. Portfolio Updates, Portfolio Strategic Plan updates, Portfolio Reports, Organizational Process Assets update, Portfolio Process Assets update

Answer: C

NEW QUESTION 413

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 415

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 418

Capability and capacity analysis are useful tools in portfolio performance management. In using this type of analysis a best practice is to:

- A. Employ a resource management process
- B. Evaluate knowledge, skills, and competencies
- C. Use it once portfolio resources are included in the portfolio performance management plan
- D. Evaluate resource optimization

Answer: A

NEW QUESTION 419

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 420

Your organization tried implementing portfolio management in the past, but even though it purchased a sophisticated automated software system for scoring and prioritization, it was not successful. After a year of complaints about the system, the executive team disbanded it. Now, resources are scarce, and some executives who were involved in the earlier attempt have left the company. The new CEO asked for a list of ongoing programs, projects, and operational work, and you could not provide one even though you direct the Project Management Office. He wants this inventory so it then can be used as the starting point to implement portfolio management. You and several others stated it did not work previously and do not believe it will work in the company. The CEO then hired a person to be the portfolio manager from outside who reports directly to him. The portfolio manager is emphasizing the importance of resources working on initiatives aligned with organizational strategy as part of the:

- A. Portfolio performance plan
- B. Portfolio roadmap
- C. Portfolio communications strategy
- D. Portfolio charter

Answer: C

NEW QUESTION 424

Your dry foods company is faced with new regulations that dramatically change what is to be included in each product to put on redesigned food labels. The objective of the regulations is to help reduce obesity in the citizens in your country so they are aware of trans-fat food. You must be in complete compliance with these regulations in six months. As the portfolio manager you must document how you will address these regulations in a:

- A. Detailed report to the Portfolio Review Board
- B. Meeting with all employees as some existing components will be deferred to meet the requirements
- C. Portfolio performance plan
- D. Portfolio communications plan

Answer: C

NEW QUESTION 428

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 433

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 435

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. One of your team members came to you asking about the order of the

steps used to perform risk management activities. What should be your answer to him?

- A. Risk Identification, Risk Assessment, Response Planning, Risk Response
- B. Risk Planning, Risk Assessment, Risk Response
- C. Response Planning, Risk Identification, Risk Assessment, Risk Response
- D. Risk Identification, Response Planning, Risk Assessment, Risk Response

Answer: B

NEW QUESTION 436

Consider you are a veteran portfolio manager and that you are managing the most important portfolio in your company. What are the processes you execute as part of the portfolio governance?

- A. Define Portfolio and Optimize Portfolio
- B. Portfolio Performance Management and Portfolio Communication Management
- C. Portfolio Management Plan and Portfolio Strategic Plan
- D. Define Portfolio and Authorize Portfolio

Answer: A

NEW QUESTION 437

Each portfolio risk should have a designated person as its owner. As the portfolio manager assigns the owner, the main responsibility is to:

- A. Analyze the risk for its overall impact on portfolio success
- B. Determine an appropriate response and implement it as soon as the risk occurs
- C. Monitor the situation as long as the risk is current
- D. Strive to take a negative risk and turn it into a positive opportunity

Answer: C

NEW QUESTION 440

Management practices are leveraged by organizational resources and as a portfolio manager, you realize that the correct management of supply and demand with relation to organizational resources is crucial to the success of a portfolio. Which of the following is not an organizational resource?

- A. Program and project managers
- B. None of the options
- C. Funds
- D. Assets

Answer: B

NEW QUESTION 443

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 445

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 450

Optimizing the portfolio is a major recurring process that the portfolio manager performs throughout the portfolio life cycle in order to balance the mix of portfolio components. During this process, the portfolio manager uses a number of graphical analytical methods to help him ease the process. Which of the following is not a graphical analytical method used in this process?

- A. Pie Charts
- B. None of the options
- C. Risk v
- D. Return charts
- E. Histograms

Answer: B

NEW QUESTION 455

While aggregating data from component reports in order to present the portfolio status to the governance board on an upcoming review meeting, which of the following is the most important thing to do?

- A. Disseminating the status to related stakeholders mentioned in communication management plan before the review meeting
- B. Updating the portfolio communication management plan
- C. Disseminating the status to all stakeholders before the review meeting
- D. Perform Communication Requirements Analysis

Answer: D

NEW QUESTION 460

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 461

Assume you are the corporate portfolio manager for your global organization. There is one portfolio at the corporate level, but other portfolios supporting business units and core areas of the company. One of these portfolios involves manufacturing, and its number one program in terms of priorities is to implement an enterprise resource planning system. Since it is the number one ranked program in this portfolio, it is of interest at the corporate level, and you and your team provide reports on its progress monthly. You can see that:

- A. Since earned value is being used, at this point you report the ERP system will not meet its cost and schedule goals
- B. Extensive training will be needed after the program is complete, and an infrastructure does not exist to support the ERP system
- C. Use of the ERP vendor has been underestimated, and a business case will be needed for increased funding
- D. Inadequate, up-front financial planning was done when the business case was approved

Answer: B

NEW QUESTION 466

You are managing a portfolio linked to multiple business units and you set clear roles and responsibilities from the beginning to avoid delays and to enhance the decision making process. An unanticipated issue occurred last week, which relates to one of your team members missing to check the market fluctuating currency. In which of the following documents should you look to know which member was responsible of this?

- A. Strategic Plan
- B. Governance Model
- C. Risk Register
- D. Risk Roles & Responsibilities

Answer: B

NEW QUESTION 469

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 470

Portfolio balancing can be done in several different dimensions based on organizational preferences. When your software development company, which is CMMI Level 5 certified, began to focus on portfolio management four years ago, you started with a simplified ranking approach and now moved into using an automated, sophisticated weighted scoring software tool throughout the organization. In terms of portfolio balancing, it is appropriate to:

- A. Balance the portfolio across the organization
- B. Balance the portfolio according to categories
- C. Balance the portfolio by business unit
- D. Balance the portfolio in terms of expected value of benefits

Answer: A

NEW QUESTION 472

Assume you are managing a high visibility project in your company that once it is completed will transform it into new markets and be the leader in the soft phone field. You are keeping the project a secret from external stakeholders, and you and your team have signed Non-disclosure agreements (NDAs). However, the executives and those on the Portfolio Review Board want status information on this project every two weeks. You provide it:

- A. To those on the portfolio distribution list
- B. Electronically in a format that cannot be printed or forwarded
- C. To the members of the Board and executives verbally
- D. To the portfolio manager

Answer: D

NEW QUESTION 476

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. Considering that you are currently working to quantitatively measure component values, however a few components have intangible benefits and can not be measured using quantitative analysis. How do you plan to proceed?

- A. Subject Matter Experts
- B. Benefits Realization
- C. Using assumptions
- D. Scoring models

Answer: D

NEW QUESTION 478

Assume you are putting together for the Portfolio Review Board several options for consideration of potential components and current components. You are using an approach with different probabilities to determine outcomes and EMV. Which of the following would you recommend realizing Components A and B are new, while C and D are in progress:

	Probability	Component A		Component B		Component C		Component D	
		Outcome	EMV	Outcome	EMV	Outcome	EMV	Outcome	EMV
1	50%	\$15,000	\$7,500	\$13,000	\$6,500	\$20,000	\$10,000	\$10,000	\$5,000
2	30%	\$17,000	\$5,100	\$15,000	\$4,500	\$12,000	\$3,600	\$8,500	\$2,250
3	20%	\$20,000	\$4,000	\$15,000	\$3,000	\$10,000	\$2,000	\$5,000	\$1,000

- A. Component A
- B. Component B
- C. Component C
- D. Component D

Answer: A

NEW QUESTION 480

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 483

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 485

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 490

Some of your Stakeholders reported to you that they are not receiving status reports and other regular information on the Portfolio progress. This has caused a big issue with the governance board and they requested an immediate resolution. You have already analyzed the stakeholders and prepared the communication matrix; what is your best course of action in this case?

- A. Correctly configure the PMIS
- B. Meet individually with each stakeholder and re-analyze their needs and expectations
- C. Update the Communication Management Plan
- D. Update the communication matrix

Answer: A

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 497

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 outputs do you expect to get out of this?

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

Answer: D

NEW QUESTION 502

Your portfolio management team is a bit confused about the order of steps to follow when defining a portfolio. They have been having debates and they came to you asking for the correct order of steps

- A. Identification, categorization, ranking, scoring, selection, prioritization, resource allocation
- B. Identification, categorization, scoring, ranking, prioritization, selection, resource allocation
- C. Identification, selection, categorization, scoring, ranking, prioritization, resource allocation
- D. Identification, categorization, scoring, ranking, selection, prioritization, resource allocation

Answer: D

NEW QUESTION 506

Various people are responsible for communications to different stakeholder groups, both internal and external to the organization. These delegations of authority are:

- A. Organizational process assets
- B. Contained in the portfolio performance plan
- C. A section in the portfolio communication management plan
- D. Portfolio process assets

Answer: D

NEW QUESTION 507

Assume after the acquisition of the natural gas transmission company by your company, a natural gas distribution company, was approved by the various regulatory agencies. You now are overseeing more components with this acquisition as the portfolio manager. While you had each of the components in your company set up in various categories, this approach had not been followed by the transmission company. You explained to its portfolio manager and staff such an approach enables:

- A. Common criteria for portfolio optimization
- B. A similar approach to track contribution to strategic goals
- C. A way to set up a common set of decision filters
- D. An alignment with the prioritization model

Answer: C

NEW QUESTION 508

Assume it was your suggestion to the executive team as the newly appointed Chief Financial Officer for your organization to implement portfolio management. While someone has been identified to be the portfolio manager, you are developing the charter and the structure. In doing so, guidance is provided by the:

- A. Portfolio strategic plan
- B. Organization's strategic plan
- C. Portfolio roadmap

D. Plans, policies, and documentation of stakeholder expectations

Answer: A

NEW QUESTION 510

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 511

Due to a strategic change, multiple components on your portfolio have been terminated, leaving you with limited remaining funds coming from the terminated components. What should be your best course of action?

- A. Since the funds are limited, you can leave them with you and use them as equity protection for low probability and high impact risks
- B. Return the funds to the organization
- C. Since the remaining budget is limited, the portfolio manager can directly assign it to ongoing components that need a little push
- D. Re-activate one of the terminated components because you have additional budget

Answer: B

NEW QUESTION 516

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 520

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. For this you start by developing the strategic plan. What output do you expect from this process?

- A. Portfolio, Portfolio Strategic Plan
- B. Portfolio, Portfolio Strategic Plan, Portfolio Reports
- C. Portfolio, Portfolio Strategic Plan, Enterprise Environmental Factors updates
- D. Portfolio Process Assets updates, Inventory Of Work, Portfolio, Portfolio Strategic Plan

Answer: A

NEW QUESTION 524

Due to strategic changes, one of the sub-portfolios in your portfolio has been decided to be canceled because it no longer meets the new market demands. What is your next step as a portfolio manager?

- A. Start terminating the component and return back the remaining resources to the resource pool
- B. Analyze the impact of this cancellation on the overall portfolio and recommend a decision to the governance board
- C. Meet the sub-portfolio's team in order to assess the impact
- D. Consider it as a normal change, submit a change request for cancellation and wait for the governance board approval

Answer: A

NEW QUESTION 529

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 meeting with stakeholders to document the internal and external financial dependencies and shared resources between different portfolio components. Which of the following techniques are you performing

- A. Elicitation technique
- B. Interdependency analysis
- C. Capability & Capacity analysis
- D. Readiness Assessment

Answer: B

NEW QUESTION 530

When we talk about portfolios, programs and projects, it is inevitable to mention the business value which is the sum of tangible and intangible assets of an

organization, also known as the net quantifiable benefit. When it comes to business value, at which level of the organization is the delivery of Business Value optimized?

- A. Portfolio
- B. Project
- C. Program
- D. Operational

Answer: B

NEW QUESTION 531

The portfolio is undergoing and you are now in the monitoring and controlling phase. Two of your team members are arguing about what to use in order to determine decisions to be made with regards to the portfolio and its components. What should be your advice to them?

- A. They should use the elicitation techniques to get as much data as possible on the progress in order to be able to take decisions
- B. They should conduct review meetings on formal and scheduled basis
- C. They should conduct review meetings on scheduled and informal basis
- D. They should conduct review meetings on need basis

Answer: B

NEW QUESTION 535

You are managing a portfolio for a major car dealer in the region and due to diversity of locations, funding terms and your client's corporate structure, you have a big number of components to be included in the portfolio. With such a huge number, you need to prioritize the components in order to prepare the mix of components to execute. Where can you find the prioritization model?

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

Answer: A

NEW QUESTION 536

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 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 developing the performance management plan, what is the purpose of using this analysis?

- A. Performed to understand the human, financial, and asset capacity and capability of the organization in order to select, fund, and execute portfolio components
- B. To study the capability of resources, match them against the portfolio's objectives and goals, and translate the capability into what capacity is possible to meet the portfolio demands
- C. To understand how much work is able to be performed based on the resources available (capacity), as well as the ability of the organization to source and execute the selected portfolio
- D. It enables the organization to achieve maximum portfolio benefits given current resource constraints

Answer: A

NEW QUESTION 539

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 540

Risk is inherent in all activities and managing risk is critical to a successful portfolio. Risks perspectives differ within the organization between executive management, operations management, portfolio management and project/program management. When it comes to Portfolio management, which of the following is a risk concern?

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

Answer: C

NEW QUESTION 543

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 544

Your portfolio is on a tight deliverables and is considered the major portfolio in your company. Stakeholders are concerned about the purpose of defining a portfolio while already having an inventory of work and are worried that this will cause a lot of time to be wasted. What is your advice to the stakeholders?

- A. This process is required to optimize and balance the portfolio for performance and value delivery
- B. This process is required to produce an organized portfolio for ongoing evaluation, selection, and prioritization
- C. This process can be skipped because it will be re-done as part of the Optimize Portfolio process
- D. They are right, the process can be skipped when an inventory of work is in place

Answer: B

NEW QUESTION 548

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 550

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