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QUESTION 1

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

Correct Answer: B

QUESTION 2

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

Correct Answer: D

QUESTION 3

Assume you have been asked to prepare the portfolio management plan as you are on the staff of your company's Chief Portfolio Officer. In this plan, you will describe the different methods or approaches that your company will use to manage different types of components in the portfolio as specified in the:

- A. Strategic plan
- B. Governance model
- C. Roadmap
- D. Charter

Correct Answer: C



QUESTION 4

Portfolio managers tend to use the efficient frontier analysis as a modeling approach that gives decision makers the analytical tool to optimize portfolios given resource constraints such as risk. Consider that your company is risk-averse, on which side of the efficient frontier curve should the undertaken portfolios lie?

- A. Below the curve
- B. Along the lower bounds of the curve
- C. Above the curve
- D. Along the upper bounds of the curve

Correct Answer: B

QUESTION 5

Risk Management is integrated in all the other processes and process groups and is an integral recurrent activity throughout the portfolio life cycle. Which of the following is considered an external risk that can affect the portfolio?

- A. Technological Advancement
- B. Corporate Strategies
- C. Bankruptcy
- D. Changing Priorities

Correct Answer: A

QUESTION 6

Each time a strategic change occurs, it requires a number of updates, and it includes the need to update the portfolio process assets including:

- A. Timelines
- B. Prioritization model
- C. Lessons learned
- D. Communication requirements

Correct Answer: C

QUESTION 7

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

Correct Answer: A

QUESTION 8

While planning for risk management, multiple investment choice tools are used as part of the quantitative and qualitative analyzes; which of the following tools determines the effect of changing one or more factors?

- A. Trade-Off Analysis
- B. Market Payoff variability
- C. Budget Variability
- D. Performance variability

Correct Answer: A

QUESTION 9

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

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

Correct Answer: B

QUESTION 10

Different types of risks affect the portfolio, and they may be positive or negative. As the portfolio manager, one has to maximize the opportunities and minimize the threats. An example of a negative portfolio risk is:

- A. External participants who are highly specialized
- B. Integrated systems



- C. A large number of concurrent programs and projects
- D. Full-cost estimates for programs and projects

Correct Answer: C

QUESTION 11

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

Correct Answer: A

QUESTION 12

With the introduction of new legislation in your company, anyone now is entitled to medical services regardless of whether or not they are employed or have any pre-existing health conditions. Your insurance company's executives have been tracking this legislation as it means significant changes for your company; many employers who obtained insurance through your company may go elsewhere for lower costs. Recognizing this legislation may lead to a loss of revenue, your company decided to merge with another insurance firm to obtain greater market share. This merger, though, means some existing projects may not be needed, and the workforce will be reduced by 20 percent, Such a significant change will impact how components are categorized in your portfolio leading to:

- A. The need for a re-constituted oversight group
- B. Portfolio rebalancing
- C. A requirement to update the portfolio management plan
- D. A new portfolio prioritization model

Correct Answer: B

QUESTION 13

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



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

Correct Answer: C

QUESTION 14

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 Business Value achieved?

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

Correct Answer: D

QUESTION 15

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

Correct Answer: A

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