

Exam Questions PfMP

Portfolio Management Professional (PfMP)

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NEW QUESTION 1

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

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

Answer: B

NEW QUESTION 2

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 3

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 4

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 5

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. EEFs, 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 6

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

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

Answer: B

NEW QUESTION 7

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 8

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 9

During one of the review meetings, the governance board asked to know the progress with relation to benefits of one of the major programs in your portfolio; in this case you will advise the program manager to present

- A. Program Benefits Report
- B. Program Business Case
- C. The status of his program to you and you will aggregate the information with information from other components and present it to the Governance board
- D. Program Management Plan

Answer: A

NEW QUESTION 10

A recent development in the market gave your competitors a leading edge. Your company's CEO and executive members want to focus on new developments and gain the market leadership once again. You wanted to show the new structure to the Portfolio stakeholders and strategies have changed. As a portfolio manager, your best course of action is to perform a

- A. Capability and Capacity Analysis
- B. Scenario Analysis
- C. Gap Analysis
- D. SWOT Analysis

Answer: C

NEW QUESTION 10

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

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

Answer: D

NEW QUESTION 14

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

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

Answer: B

NEW QUESTION 18

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

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

Answer: B

NEW QUESTION 23

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

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

Answer: C

NEW QUESTION 24

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 25

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 have just finalized the development of the risk management plan. What do you normally expect to find in a Portfolio Risk Management Plan?

- A. Communication policies/constraints
- B. Organizational risk tolerance
- C. Governance Model
- D. Roles and Responsibilities for risk management

Answer: D

NEW QUESTION 29

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 32

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

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

Answer: A

NEW QUESTION 35

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

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

Answer: C

NEW QUESTION 39

You have been recently assigned to manage a new portfolio that is supposed to shift the company from silo-based to a projectized one. You are in the process of initiating the portfolio. You are currently developing the strategic plan. Upon finishing it, you are expected to present

- A. Portfolio Strategic Plan and Portfolio Process Assets updates
- B. Portfolio Strategic Plan and Portfolio
- C. Portfolio Strategic Plan
- D. Portfolio Strategic Plan and Inventory of Work

Answer: B

NEW QUESTION 44

As part of the strategic alignment, you Rank strategic priorities working with key stakeholders and using qualitative and quantitative analyses in order to

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

Answer: D

NEW QUESTION 47

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 49

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. When it comes to Managing portfolio risks, a risk owner, along with the portfolio manager, should select the strategy or mix of strategies most likely to be effective. Which of the following may be the responsibility of a risk owner when it comes to managing risks?

- A. Select primary and alternative strategies
- B. Make decisions to choose the most appropriate response strategy or mix of strategies and develop specific actions to implement those decisions
- C. All of the options
- D. Develop contingency plans and identify the conditions which trigger their execution

Answer: C

NEW QUESTION 50

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 51

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 56

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 60

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 65

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 69

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. Which of the following methods are helpful to you?

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

Answer: D

NEW QUESTION 72

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

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

Answer: B

NEW QUESTION 76

During one of the management meetings, an opportunity was identified. This opportunity has a huge impact on the portfolio. What is your first action as a portfolio manager?

- A. Document it in the benefits register
- B. Update the portfolio management plan
- C. Document it in the risk register
- D. Update the portfolio roadmap

Answer: C

NEW QUESTION 80

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

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

Answer: C

NEW QUESTION 82

After a strategic change is managed and finalized, you as a portfolio manager, are expected to document changes to the portfolio components attributes. Which of the following is the document in which you document these changes?

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

Answer: B

NEW QUESTION 86

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 the expected result from developing this plan?

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

Answer: B

NEW QUESTION 88

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

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

Answer: D

NEW QUESTION 93

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 in the middle of developing the strategic plan and require the following inputs

- A. Organizational Strategy & Objectives, Enterprise Environmental Factors, Roadmap
- B. Organizational Strategy & Objectives, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets, Inventory Of Work
- C. Organizational Strategy & Objectives, Enterprise Environmental Factors, Roadmap, Portfolio Management Plan
- D. Organizational Strategy & Objectives, Enterprise Environmental Factors, Portfolio, Portfolio Management Plan

Answer: B

NEW QUESTION 98

Although you are the Portfolio Manager in your company, you also are the Enterprise Program Office Director, and it consumes most of your time. Your executive team has lost interest in regular portfolio review meetings, the few that are held are routine, and any proposed component receives automatic approval. The Executive Vice President for Human Resources spoke to the CEO as she noticed some people seem to be completely overloaded, they are actively looking for new opportunities, and are then leaving the company. She also pointed out that others seem to have idle time. Her comments got the CEO's attention, and you have been asked in your role as the portfolio manager to create an up-to-date list of qualified components in the portfolio. You are doing so in order to:

- A. Have an accurate understanding as to how resources are allocated
- B. Determine how best to use resource leveling on approved components
- C. Identify, categorize, score, and rank components
- D. Review the initial business cases for the components and assess their validity in terms of strategic goals

Answer: C

NEW QUESTION 101

Throughout the course of the portfolio lifecycle, components are initiated, terminated and updated. In order to be initiated, portfolio components receive go/no-go decisions during governance meetings. During which process the go/no-go decisions are taken?

- A. Review Meetings
- B. Provide Portfolio Oversight
- C. Authorize Portfolio
- D. Manage Strategic Change

Answer: C

NEW QUESTION 105

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

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

Answer: D

NEW QUESTION 107

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

- A. Resource Pools

- B. Portfolio Process Assets
- C. Portfolio Reports
- D. Portfolio Management plan

Answer: A

NEW QUESTION 112

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 116

Assume you are the portfolio manager for your HVAC (Heating, Ventilating, and Air Conditioning) company, one of the largest in the world. Preparing for a meeting with the Portfolio Governance Committee, you have been reviewing the success of components that have been completed as well as the progress of current portfolio components. In many cases people who only purchased heating units in the northern part of the country, and people who purchased only air conditioners in the south, now are buying state-of the art products to easily switch as needed. You found the risks of climate change led to the need for these new energy efficient products and did so by:

- A. Sensitivity analysis
- B. Ranking and scoring techniques
- C. Investment choices
- D. Trend analysis

Answer: D

NEW QUESTION 117

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

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

Answer: A

NEW QUESTION 121

You have been managing a complex portfolio for the banking industry and it is sought to be the shifting to the top-notch digital banking era for one of the major international banks. You know you will have changes along the lifecycle and you plan to manage them correctly in order to maintain alignment and correct execution. If you need to reflect changes based on cost, requirements, and schedule. To which of the following section in the portfolio management plan will you refer?

- A. Performance management
- B. Manage strategic change
- C. Resource management
- D. Change control and management

Answer: D

NEW QUESTION 124

When it comes to managing the portfolio value, one of the junior portfolio managers came to you asking about the relation between cost-benefit analysis and the efficient frontier analysis. What should your answer to her be?

- A. The Efficient frontier analysis is used while performing the Cost-benefit analysis in order to get the confidence factor in the estimates
- B. Efficient frontiers are not static, and organizations should monitor cost-benefit ratios on a continual basis
- C. Efficient frontier tracks the realized value against planned costs; thus is another way of cost-benefit analysis
- D. Cost-Benefit analysis are not static, and organizations should monitor the efficient frontier ratios on a continual basis

Answer: B

NEW QUESTION 127

As the portfolio manager you have worked to consider the complexities involved of the interdependencies in your programs, projects, and ongoing work. As your portfolio process has been implemented for three years, a key challenge is that senior executives tend to change priorities often even though programs and projects are being implemented. Often these programs and projects are cross-functional, and the result is your process is not coordinated. You recognize there is a need to change, and you met with the Chair of the Portfolio Review Board and have her support for a transparent approach for portfolio standards and prioritization. You should:

- A. Revise the balancing process
- B. Revise the portfolio management plan

- C. Revise the scoring model
- D. Set up a standard method to communicate change

Answer: B

NEW QUESTION 128

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 updatePortfolio Updates, Portfolio Strategic Plan updates, Portfolio Reports, Organizational Process Assets update, Portfolio Process Assets update

Answer: B

NEW QUESTION 132

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

Answer: C

NEW QUESTION 133

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 135

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 138

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

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

Answer: D

NEW QUESTION 142

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 143

Assume your company recently diversified, and in addition to producing its recognized brand of ice cream products, it now also is producing cereal and nutritional products. Assume you have been using the Efficient Frontier to manage portfolio value. With diversification to these new products:

- A. Each product line should have its own portfolio to use the Efficient Frontier approach effectively
- B. The best possible portfolios are shown above the portfolio curve
- C. The same expected return from the portfolio may be possible
- D. The new potential portfolio outcomes concerning success criteria can be determined

Answer: C

NEW QUESTION 148

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 149

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

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

Answer: B

NEW QUESTION 151

As part of the annual planning, PMO has started to group initiatives managed under each portfolio in the organization. The collected list will be used in developing the new Portfolio Strategic Plan. What is this collected list called?

- A. Portfolio
- B. Portfolio Component Inventory
- C. Portfolio Process Assets (PPAs)
- D. Inventory of Work

Answer: D

NEW QUESTION 156

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 identifying and analyzing risk, in addition to developing risk responses and monitoring and controlling risk. Which documents can help you achieve this?

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

Answer: C

NEW QUESTION 161

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 162

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

- A. Require use of resource smoothing

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

Answer: D

NEW QUESTION 167

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

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

Answer: C

NEW QUESTION 172

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

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

Answer: C

NEW QUESTION 177

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

Answer: B

NEW QUESTION 178

You have a portfolio component that is using earned value analysis. It is at the 15% point of completion, and it is evident that it cannot be completed as planned. Adding resources will not solve the problem, and at the last Portfolio Review Board meeting, the Board members decided to terminate this component based on its various risks. They then decided the resources allocated to this component could be transferred to other portfolio components enhancing their early completion and avoiding risks from competitors. As the portfolio manager, you:

- A. Worked with the component managers to ease the transition
- B. Documented these decisions in portfolio reports
- C. Set up both quantitative and qualitative metrics to determine the usefulness of adding resources to the other components
- D. Met with the affected component managers and their teams to explain these changes

Answer: B

NEW QUESTION 179

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

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

Answer: D

NEW QUESTION 183

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

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

Answer: C

NEW QUESTION 185

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 188

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 189

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 190

It is rare for organizational leaders to have an in-depth knowledge of all the work under way in the portfolio, but it is needed for portfolio decision making. If you were asked to prepare such an inventory, it would:

- A. Require one-on-one interviews to ensure all work being done was revealed
- B. Be helpful to have a statement in writing from the CEO to describe why the inventory is important
- C. Serve as the starting point for the portfolio
- D. Require assistance and support from the EPMO

Answer: C

NEW QUESTION 195

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 196

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 199

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 201

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

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

Answer: B

NEW QUESTION 203

Risks are very important to manage in portfolio management and organizations can choose to embrace risks with the potential of high rewards. As a portfolio manager, planning and managing risks is important. Risks are categorized in order to ease the process. Which of the following are considered as risk categories that a portfolio manager can use?

- A. All of the options
- B. Performance Risk, Regulatory Risk
- C. Portfolio Component Risk, Market Risk
- D. Organizational Risk, Image and Public Relation Risk

Answer: B

NEW QUESTION 204

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

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

Answer: D

NEW QUESTION 205

Portfolio Prioritization Model is included in the Portfolio management plan and guides the ongoing decisions as to which portfolio components should be added, terminated, or changed; which of the following is correct regarding the Prioritization Model purpose and content?

- A. All of the options
- 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. Establishes and tailors the decision-making rights and authorities

Answer: C

NEW QUESTION 210

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 pla
- 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 pla
- 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 pla
- 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 214

As you grow older, you gain more experience and things that once seemed hard to assimilate, can become very easy. One junior member of your portfolio management team is confused on the relationship between the Optimize, Authorize and Provide Oversight processes. What could your advice to him be?

- A. The provide portfolio oversight process may trigger the other two processes as part of the review meetings
- B. The three processes are not related and are in different focus areas
- C. The Optimize portfolio comes first, then authorize portfolio and finally Provide Portfolio oversight
- D. The Optimize portfolio process is used to balance the portfolio so that the authorize portfolio and Provide Portfolio Oversight processes can start

Answer: A

NEW QUESTION 215

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 216

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 220

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

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

Answer: B

NEW QUESTION 223

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

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

Answer: A

NEW QUESTION 225

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

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

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

Answer: C

NEW QUESTION 230

Assume you are the portfolio manager for a leading drug store in your country that offers numerous products. In the past four years, nearly every store has had to

enlarge its pharmacy unit and hire additional staff members with the aging population. Observing this change, two years ago, stores set up clinics to provide customers with immediate care. As you see the growth in the stores in the health arena, you are looking at trends and realize:

- A. Alcohol, tobacco, and sugar soft drink products should no longer be offered
- B. Each store requires a balance between its health care services and products that may have adverse health effects
- C. Customers wonder if they should trust the health care services offered given the other available products
- D. For the health care clinics to be viewed with integrity, a medical doctor must be available at each store

Answer: A

NEW QUESTION 231

The Scenario Analysis is used twice as a tool and technique, once while developing the charter and another time while managing Supply and Demand (It also exists as part of the quantitative and qualitative analysis as part of the optimize Portfolio process). When it comes to Manage Supply and Demand, which of the following represents a correct description of the Scenario Analysis?

- A. All of the Options
- B. Helps differentiate between the resources capability and capacity
- C. Helps determine various possibilities of resource allocations and the impact to component schedules
- D. Enables decision makers to create a variety of portfolio scenarios using different combinations of both potential components and current components

Answer: C

NEW QUESTION 236

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

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

Answer: D

NEW QUESTION 239

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

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

Answer: B

NEW QUESTION 243

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

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

Answer: D

NEW QUESTION 245

Your online ordering company wants to add a component to its portfolio that its sponsor believes will outdistance the competition, but it has risks and also will be subject to regulatory approval. The purpose is to use parachutes to deliver the merchandise ordered through small helicopters so the recipients receive their orders within three hours of the on line purchase. As the portfolio manager you recognize this component is a major change and will require resources if it is approved. You are now performing change management using a change structure that:

- A. Requires a change request
- B. Facilitates impact analysis
- C. Needs to assess dependencies
- D. Requires an update to the roadmap

Answer: B

NEW QUESTION 249

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

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

Answer: D

NEW QUESTION 252

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 254

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

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

Answer: C

NEW QUESTION 257

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 261

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

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

Answer: D

NEW QUESTION 262

Assume as the portfolio manager you have conducted a stakeholder analysis, gap analysis, and a readiness analysis as your cereal company is now entering the ice cream market. A team was formed and located off site to determine whether this market was one in which your company could compete, and its recommendation to do so was accepted by the Portfolio Review Board. Now you need to:

- A. Acquire resources to support the new line of ice cream products
- B. Change the prioritization model
- C. Develop a communications strategy for use internally and also externally
- D. Set completely new performance metrics for all products

Answer: B

NEW QUESTION 266

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

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

Answer: A

NEW QUESTION 271

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 274

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 275

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 278

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 281

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 286

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

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

Answer: A

NEW QUESTION 291

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. Metrics are used for measuring the performance. They need to be meaningful in order to be able to provide clear and logical targets, and in order to be able to be measured. Which guideline is used in order to develop meaningful measures?

- A. Specific, Meaningful, Achievable, Reachable, Timed

- B. Specific, Measurable, Attainable, Realistic, Time bound
- C. Specific, Meaningful, Accurate, Reachable, Timed
- D. Strong, Meaningful, Accurate, Reachable, Timed

Answer: B

NEW QUESTION 294

Because of the ongoing and iterative nature of portfolio management, the processes in it are continually repeated as new components are added, and others are completed or terminated. Revisions are constant given complexity, risks, and the rate of change. As you work to optimize the portfolio, it is helpful to:

- A. Assign components to predefined categories
- B. Prepare a flowchart
- C. Organize ideas from stakeholders into logical groupings
- D. Perform a structure analysis of roles and responsibilities

Answer: B

NEW QUESTION 296

While defining the portfolio, the portfolio manager uses a set of evaluation criteria in order to generate a list of portfolio components for optimization and balancing. Which of the following is not an evaluation criteria?

- A. Technology capabilities and capacities
- B. Costs
- C. Benefits, financial and non-financial
- D. Customer

Answer: D

NEW QUESTION 299

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

Answer: A

NEW QUESTION 301

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 304

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 306

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 307

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 309

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 310

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

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

Answer: C

NEW QUESTION 311

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 316

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

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

Answer: A

NEW QUESTION 317

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

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

Answer: C

NEW QUESTION 321

After a recent Portfolio Review Board, the portfolio was optimized, and some components were added, while others were removed. Various portfolio reports also require updates such as:

- A. Affected organization areas
- B. High-level time frame
- C. Budget approvals or exceptions
- D. Value/benefits

Answer: D

NEW QUESTION 326

Over the years, your organization has grown significantly as it has entered new markets while maintaining its presence in its traditional product line of security systems. The company now has eight different business units rather than three, which was the case only two years ago, and it set up funding originally such that it was only allocated to one business unit and could not be transferred to others. At the recently held Portfolio Oversight Committee meeting, five business units did not add components, but some were completed. The other three added a number of programs and projects, which were authorized. Now funding for these new components is an issue. This means:

- A. Another Committee meeting is required to focus on the funding problem
- B. The sponsors of the newly authorized components need to work with their business units to determine how funds will be allocated
- C. The three business units need to evaluate their portfolios and recommend termination of some components to the Committee
- D. Changes are required as to how funds are allocated

Answer: D

NEW QUESTION 328

comes to this type of organizations, which of the following statements is true?

- A. Human Resources should be fixed and work should be allocated based on the capacity and capability
- B. Resource Supply is continuously adjusted through permanent and temporary resources
- C. Projects that align with strategic objectives should be initiated even if the ROI is negligible
- D. All incoming projects and customers?? requests should be accepted and resources should be supplied whether permanently or temporarily

Answer: B

NEW QUESTION 332

As a portfolio manager you will use a variety of artifacts and documents that will help you better manage the portfolio and better communicate progress and status with stakeholders. The roadmap is considered the most used document in the portfolio and eases your work being able to present the status on a single graphical representation. Early on during the portfolio lifecycle, you prepare the roadmap. An output of this process is

- A. Portfolio update, Portfolio Charter update, Portfolio Roadmap
- B. Portfolio Roadmap
- C. Portfolio update, Portfolio Roadmap
- D. Portfolio Charter update, Portfolio Roadmap

Answer: B

NEW QUESTION 334

When you are a portfolio manager, you need to do and re-do multiple processes in order to maintain the portfolio alignment to the changing strategies. Which of the following are considered outputs to the Develop Charter process?

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

Answer: B

NEW QUESTION 339

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 340

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

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

Answer: B

NEW QUESTION 341

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 346

One of your portfolio team members is confused on the reason behind using the three processes: Define Portfolio, Optimize Portfolio, Authorize Portfolio and Manage Portfolio value. For him, we can skip a couple of processes. He came to you for advice. What should be your response to him?

- A. He is right, processes can be skipped if you want to do the other ones
- B. The processes are similar and can be skippe
- C. The reason they exist in the standard is to cover the define, align, and monitor and control process groups
- D. The processes are not similar and they are interrelated, they are continuously executed throughout the portfolio life cycle
- E. The processes are part of the standard for portfolio management and should not be skipped

Answer: C

NEW QUESTION 347

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 have just finalized managing the strategic change and you are expected to present the following documents:

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

Answer: B

NEW QUESTION 352

One of the junior portfolio managers learned that she needs to perform organizational structure analysis as part of the portfolio management plan development. She does not understand why and she came to you for advice. What is your advice to her?

- A. Portfolio Management roles and responsibilities are defined based on this analysis
- B. This analysis, along with the analysis of the portfolio structure from the charter, help in the selection of strategically aligned portfolio components
- C. This analysis will help in prioritizing the portfolio
- D. This analysis is part of the develop strategic plan and not develop portfolio management plan

Answer: A

NEW QUESTION 353

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 356

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 357

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 358

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 362

Your portfolio has encountered a big issue and multiple management decisions have been taken in order to re-align the portfolio with the strategic objectives. What is the tool that you use in order to report major risks and issues to stakeholders?

- A. Portfolio Management Plan
- B. Portfolio Risk Register
- C. Portfolio Reports
- D. Portfolio Status Reports

Answer: C

NEW QUESTION 364

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

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

Answer: C

NEW QUESTION 365

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

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

Answer: B

NEW QUESTION 368

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

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

Answer: A

NEW QUESTION 371

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

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

Answer: C

NEW QUESTION 376

Assume you are managing your city's portfolio, and its overall strategic goal is to promote economic development to attract more visitors to the city. It is a difficult

challenge as the city is not a major metropolitan area and also is not a preferred winter or summer destination. Nonetheless, you are planning and allocating resources according to the city's strategy. Not to be overlooked as you do so is the need to:

- A. Obtain support from your key stakeholders
- B. Determine a communication strategy to explain your approach
- C. Maximize return considering the city's risk tolerance
- D. Continually update the portfolio inventory

Answer: C

NEW QUESTION 380

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 384

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 386

You are the portfolio manager for a large and complex portfolio with a low risk appetite. You are currently planning for risk management, multiple investment choice tools are used as part of the quantitative and qualitative analyzes. Which of the following tools focuses on pricing and sales forecast?

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

Answer: A

NEW QUESTION 389

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

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

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

Answer: C

NEW QUESTION 394

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 397

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

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

Answer: B

NEW QUESTION 400

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

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

Answer: A

NEW QUESTION 401

ecause your company's Portfolio Review Board consists of the Directors of its five business units and is chaired by the CEO, the meetings tend to be contentious as there is limited funding available to authorize all the proposed programs and projects. Dissension also is the norm if resources are reallocated from one business unit to another. As a result, the CEO:

- A. Strives to use consensus to make decisions, but this approach rarely is effective
- B. Decided to use an outside facilitator when meetings are held
- C. Uses multi-voting and makes the final decision
- D. Often uses a Delphi approach

Answer: B

NEW QUESTION 404

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

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

Answer: B

NEW QUESTION 407

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 411

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

- A. Chart progress toward strategic goals and objectives
- B. Measure performance against targets and thresholds
- C. Display raw data in a visual graph
- D. Display data using a traffic light approach

Answer: A

NEW QUESTION 416

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 421

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 424

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 427

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

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

Answer: B

NEW QUESTION 430

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 434

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 435

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 436

Aligning the portfolio with the strategic objectives starts by developing the Portfolio Strategic Plan. You are currently developing this plan and are looking for a document that provides you long-term direction. What are you looking for in this case?

- A. Portfolio Strategic Plan
- B. Inventory of Work
- C. Portfolio Process Assets (PPAs)
- D. Organizational strategy and objectives

Answer: D

NEW QUESTION 438

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 441

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 446

Assume your automotive company is new to formal portfolio management. It has had for years a strategic plan and tries to be first to market for new and improved features on its vehicles each model year. You were hired as the portfolio manager to provide a more disciplined approach for determining new products to pursue as well as existing ones that should be terminated. So far, you have set up an approach, established categories for the various components, and determined a method to rank and score new proposals for consideration. Now you are working to set up practices to follow to optimize the portfolio. In doing so, it is important to note that:

- A. The criteria to optimize the portfolio may be the same as that used in the scoring model
- B. A portfolio management information system should be set up
- C. Future investment requirements are a key criterion to consider
- D. Compliance with organizational standards cannot be overlooked

Answer: A

NEW QUESTION 449

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

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

Answer: C

NEW QUESTION 452

Due to multiple issues, there were changes in the reporting process in your portfolio; the meetings with their frequencies have been changed and this will also affect the reporting cycle times. In order to meet this new change you will update which of the following documents?

- A. Communication Strategy Matrix
- B. Communication Calendar
- C. PMIS
- D. Communication Matrix

Answer: B

NEW QUESTION 453

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 456

By setting up portfolio categories and using a pair-wise comparison approach to rank components, as the portfolio manager, you feel that you are finally setting up and getting people to follow standard portfolio practices. Since portfolio management still is relatively new, progress is under way. As some components are added, and others are not continued, you are making sure if a component is terminated that it does not have dependencies with others in the portfolio. You need to then:

- A. Revise the ranking model
- B. Inform all stakeholders
- C. Update the roadmap
- D. Upgrade to a more detailed scoring model that includes dependencies with components

Answer: C

NEW QUESTION 457

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 461

Your company works closely with the government on the implementation of water pumps for rural areas. You are constantly dealing with new and updated regulations, and periodically adapting the portfolio to the changes. When it comes to regulatory components, how do you include the components in the portfolio?

- A. Normally categorize, score and rank the components, however, include them in the final portfolio regardless of the results
- B. Normally categorize, score and rank the components and include them similar to any other component in the portfolio
- C. Reject them if they are not strategically aligned with the portfolio objectives
- D. Include them directly in the portfolio without categorization, ranking and scoring

Answer: A

NEW QUESTION 464

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 465

As part of the portfolio communication management, multiple documents are prepared in order to effectively manage communications. The Stakeholder matrix is one of the prepared documents, what does it include?

- A. Stakeholders quadrants showing the level of interest and influence
- B. Stakeholders roles, interests, expectations and groups
- C. Intended recipients, communication vehicles, frequency and communication areas
- D. Representation of all of the communication for the portfolio and their frequency over a period of time

Answer: B

NEW QUESTION 468

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

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

Answer: D

NEW QUESTION 472

Assume you are a functional manager in your medical device company in research and development. Your scientists have determined a new product that will be a breakthrough for the company, and you want to serve as the sponsor for this component and present it to your Portfolio Review Board. You will need resources from other parts of the company to commercialize it. As you prepare your proposal you are following the key descriptors set up by the portfolio staff and will include:

- A. Risk reduction
- B. Regulatory and compliance issues
- C. Internal and external dependencies
- D. Qualitative benefits

Answer: D

NEW QUESTION 477

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

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

Answer: A

NEW QUESTION 480

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

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

Answer: A

NEW QUESTION 483

Roadmaps may be prepared to show different elements, and at the beginning they may not provide details of the various components. As a high-level plan at the portfolio level, the roadmap:

- A. Identifies internal and external dependencies
- B. Serves as a master schedule to show the timing of approved components
- C. Contains all the details of program and project roadmaps
- D. Serves to identify issues

Answer: A

NEW QUESTION 485

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 489

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

Answer: D

NEW QUESTION 494

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 497

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 502

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

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

Answer: B

NEW QUESTION 503

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? Taking into consideration that the costs for each component is Component A: 10 K USD, Component B: 15 K USD, Component C: 16 K USD, Component D: 13 K USD and Component E: 11 K USD; The budget for this portfolio is a fixed one of 40 k USD

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

Answer: D

NEW QUESTION 506

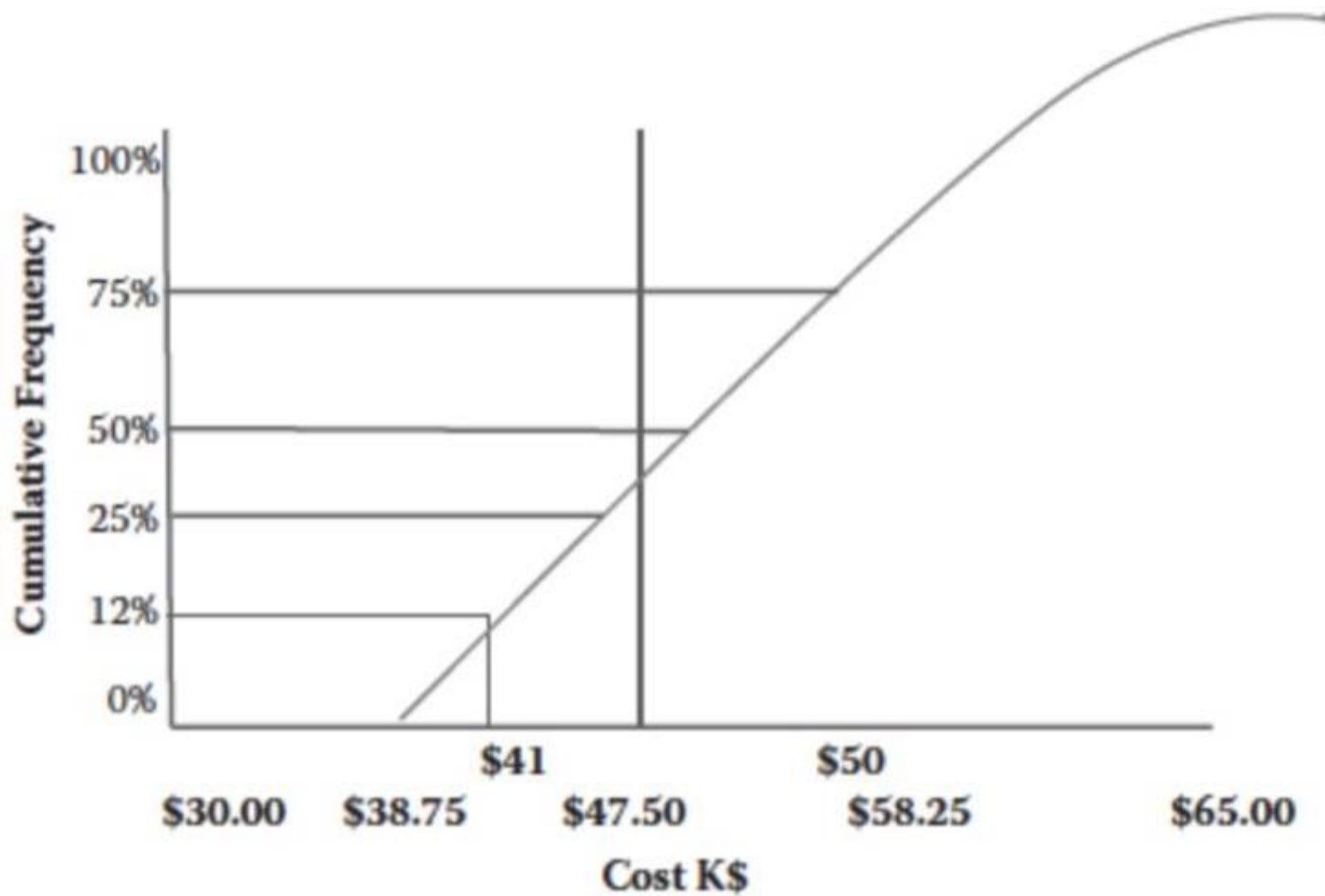
One of the key stakeholders came to you asking you to add more metrics because she thinks that it would give the portfolio management a better view of the actual progress. For her the more metrics you have the better. What should your opinion be regarding this?

- A. You should agree as having more metrics is better and because you do not want to say no to a key stakeholder
- B. You should agree, as having more metrics is better
- C. You should disagree and communicate a clear message to the stakeholder that it does not matter how many metrics you have as long as you can fully report the progress
- D. You should disagree and escalate this to the governance board

Answer: C

NEW QUESTION 510

Review the following graphic. Assume now your portfolio is only 12% likely to meet is target of \$41,000. Your Portfolio Review Board is dissatisfied in your management of the value of the overall portfolio. You explain the current mix of components is too risk adverse, and additional investment is required. The Board Chair then wants the needed investment to have a 75% likelihood, and you state it is:



- A. \$100,000
- B. \$50,000
- C. \$125,000
- D. \$65,000

Answer: B

NEW QUESTION 515

Your company got recently acquired by another company and the strategic directions which your portfolio is based on have been changed. Which document do you, as a portfolio manager, change to reflect the new stakeholders and their expectations?

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

Answer: A

NEW QUESTION 520

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 comparing the current portfolio mix to the new strategic direction in order to determine the needed changes?

- A. Interdependency Analysis
- B. Prioritization Analysis
- C. Portfolio Component Inventory
- D. Gap Analysis

Answer: D

NEW QUESTION 525

Stakeholders expectations and requirements change throughout the portfolio life cycle. New stakeholders can be added or removed and requirements need to be continuously solicited in order to keep the portfolio aligned with stakeholders expectations. What is the process for soliciting requirements called?

- A. Communication Requirements Analysis
- B. Elicitation
- C. Stakeholder Analysis
- D. Communication Methods

Answer: B

NEW QUESTION 528

Your team members were having a discussion about the contents of the Portfolio Charter and they came to you for advice because they could not agree on a common answer. What would be your advice to them?

- A. Portfolio structure, scenario analysis, capability and capacity analysis

- B. High-level scope and high-level timelines, critical success criteria and justification
- C. Scope and timelines, all success criteria and justification
- D. Scenario analysis, capability and capacity analysis

Answer: B

NEW QUESTION 529

Your team members were having a discussion about the purpose behind the development of the Portfolio Charter and they came to you for advice because they could not agree on a common answer. What would be your advice to them?

- A. To develop the Portfolio Management Plan
- B. To authorize the portfolio manager to apply portfolio resources to portfolio components and to execute the portfolio management processes
- C. To develop the Portfolio roadmap
- D. To set specific timelines for the portfolio

Answer: B

NEW QUESTION 531

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

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

Answer: A

NEW QUESTION 535

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 is the means to the "to-be" vision?

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

Answer: A

NEW QUESTION 540

Based on the following table, assume you have been asked to perform a prioritization analysis based on these data. You realize risk is a major concern to the company, but you have some data available about potential benefits. These data show A and D have the greatest benefits. A and D are followed in terms of benefits by C, then B, then F, and finally

- A. Assume three of the programs and projects can be added to the portfolio when the Board meet

B. Your recommendation is to select:

<i>Project/Program</i>	<i>Cost</i>	<i>IRR</i>	<i>Risk</i>	<i>Type</i>
Program A	\$30 million	21%	0	Operational improvement
Program B	\$30 million	22%	1	Operational improvement
Program C	\$30 million	26%	2	Capital expansion
Project D	\$30 million	24%	1	New product
Project E	\$30 million	22%	2	New product
Project F	\$30 million	28%	3	New strategy

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

Answer: B

NEW QUESTION 542

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

Answer: C

NEW QUESTION 544

A new portfolio is initiated with you as the portfolio manager, you started by developing the portfolio strategic plan and are currently reviewing the Organizational Process Assets; which of the options can be a part of this input?

- A. List of portfolio components and Portfolio component selection criteria
- B. Portfolio Components files
- C. Inventory of Work
- D. IT Strategies and Policies

Answer: D

NEW QUESTION 547

Managing Strategic Change is an integral part of any portfolio in order to remain aligned with the strategic objectives. Your portfolio has undergone a major strategic change and you are currently determining if, when, what, and how of implementing the change in order to re-align the portfolio. What are you currently doing?

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

Answer: B

NEW QUESTION 551

Risk management is an integral part of project, program and portfolio management and is invoked throughout the project, program and portfolio life cycle. Which of the following highlights the difference between portfolio risk and program or project risks?

- A. Portfolio risks focus on strategies, whereas program and project risks focus on implementation
- B. Portfolio Risks may be actively accepted in anticipation of high rewards, whereas, program and project level risks are not
- C. Portfolio risks are the aggregation of subsidiary programs and projects risks
- D. Portfolio risks can not be mitigated to other third parties, whereas program and project risks can

Answer: B

NEW QUESTION 555

Assume you are new to your organization and you were hired specifically to help implement portfolio management in your new manufacturing company. Having worked in portfolio management for the past five years, you know it is a major culture change. It is definitely a challenge at your new company because:

- A. The organization basically has many operational activities, and only a few projects are under way
- B. The organization lacks a defined strategy
- C. The few projects that are under way are not interdependent
- D. Operational activities have continued without any major changes for years

Answer: B

NEW QUESTION 559

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 the most effective method for analyzing the effect of risks on portfolio strategic objectives, and determining whether they have high or low effect

- A. Tornado Diagram
- B. Risk v
- C. Return charts
- D. Burn Down/Up chartsMonte Carlo Analysis

Answer: A

NEW QUESTION 563

A junior Portfolio manager has come to you for advice. She is asking about her main responsibilities as a portfolio manager in order to see if she is on the right track. What should be your advice to her?

- A. She will be responsible of managing the strategic, operational and functional activities of all portfolio components
- B. Her responsibility is to continuously review, reallocate, re-prioritize and optimize the portfolio to ensure alignment with strategic objectives
- C. Her responsibility is to develop and maintain portfolio, program and project management frameworks and methodologies
- D. You should tell her to go read the standard for portfolio management where she can find all the needed answers to her questions

Answer: B

NEW QUESTION 567

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