PMI.PfMP.v2022-04-22.q124

Exam Code:	PfMP
Exam Name:	Portfolio Management Professional (PfMP)
Certification Provider:	PMI
Free Question Number:	124
Version:	v2022-04-22
# of views:	4369
# of Questions views:	1240
https://www.exam-tests.com/PfMP-exam/PMI.PfMP.v2022-04-22.q124.html	

NEW QUESTION: 1

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

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

Answer: B (LEAVE A REPLY)

NEW QUESTION: 2

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 (LEAVE A REPLY)

Explanation
PMO has the responsibility to develop and maintain portfolio, program and project management frameworks and methodologies; her responsibility as a portfolio manager is to continuously review, reallocate, re-prioritize and optimize the portfolio to ensure alignment with strategic objectives, this is done by executing the portfolio management processes. Reading the standard can be an additional thing that you ask her to do but after giving her the advice, and after noting to her that the standard does not contain everything, it is only one of the references to be used.

NEW QUESTION: 3

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

A. A proficient management team commitment to the effort

B. A planned approach for incrementally developing and implementing portfolio management processes

C. All of the options

D. A planned approach to change organizational behavior that includes a balance of strong leadership and management

Answer: (SHOW ANSWER)

NEW QUESTION: 4

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

A. Portfolio Strategic Plan

B. Portfolio Roadmap

C. Portfolio

D. Portfolio Charter

Answer: (SHOW ANSWER)

NEW QUESTION: 5

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

What do you expect to see as part of this plan?

A. Portfolio Justification, high-level scope and high-level timelines

B. Vision for the portfolio, which is based on the alignment with the organization's goals and objectives

C. Balancing portfolio and managing dependencies

D. The major components of the portfolio which are aligned chronologically to achieve portfolio value

Answer: C (LEAVE A REPLY)

Explanation

The Vision for the portfolio, which is based on the alignment with the organization's goals and objectives, is part of the Portfolio Strategic Plan Portfolio Justification, high-level scope and high-level timelines are part of Portfolio charter The major components of the portfolio which are aligned chronologically to achieve portfolio value, are part of the Portfolio Roadmap The Portfolio Management Plan includes: Governance model ; Portfolio oversight; components roles and responsibilities; Managing strategic changes; Change control and management; Balancing portfolio and managing dependencies updates in the budget/funding and the resource allocation; Measuring and monitoring performance and value; Portfolio performance reporting and review; Communication model as part of the communication management plan; Portfolio risk management planning; Procurement procedures; Managing compliance; Portfolio prioritization model; Scope of the portfolio and the initial list of primary internal and external portfolio stakeholders

NEW QUESTION: 6

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. Serves as a master schedule to show the timing of approved components

B. Serves to identify issues

C. Identifies internal and external dependencies

D. Contains all the details of program and project roadmaps

Answer: C (LEAVE A REPLY)

NEW QUESTION: 7

You have been assigned as the manager for a major transformation portfolio in your company. You have a new direction in sight and you need to work with the team to attain the end goal and achieve the expected strategy. For this you start by developing the strategic plan. What output do you expect from this process?

A. Portfolio, Portfolio Strategic Plan

B. Portfolio, Portfolio Strategic Plan, Portfolio Reports

C. Portfolio, Portfolio Strategic Plan, Enterprise Environmental Factors updates

D. Portfolio Process Assets updates, Inventory Of Work, Portfolio, Portfolio Strategic Plan

Answer: A (LEAVE A REPLY)

Explanation

The answer to this question is Portfolio, Portfolio Strategic Plan

NEW QUESTION: 8

Portfolio managers tend to use the efficient frontier analysis as a modeling approach that gives decision makers the analytical tool to optimize portfolios given resource constraints such as risk. In which of the Portfolio management processes the efficient frontier is mostly used

A. Manage Portfolio value

B. Manage Portfolio Information

C. Manage Supply & Demand

D. Optimize Portfolio

Answer: (SHOW ANSWER)

NEW QUESTION: 9

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 Process Assets Updates

B. Portfolio Reports

C. Portfolio Management Plan Updates

D. Portfolio Updates

Answer: B (LEAVE A REPLY)

NEW QUESTION: 10

When managed correctly, the balanced scorecards can change the way an organization does business.

Balanced scorecards keep focus on results. Which of the following are factors that can be targeted by the Balanced Scorecards method?

A. Product Manufacturing, core competencies, response times, maintenance costs, shareholder value

B. Reward, Leveraging Skills, Leveraging Information Systems, core competencies

C. Product Manufacturing, core competencies, response times, reward, shareholder value

D. Learning & Growth, Internal Process, Customer, Financial, Reward, maintenance costs, market value, supplier value

Answer: A (LEAVE A REPLY)

Explanation

Rewards, market value and supplier value are not part of the balanced score cards factors.

Pay attention, SPM is just a reference guide for the exam, so you will definitely have similar questions from outside the SPM in the exam. This question is based on experience and on multiple insights from exam questions

NEW QUESTION: 11

Along the course of the portfolio, you will be monitoring and controlling the portfolio a.long 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: (SHOW ANSWER)

Explanation

The purpose of the Provide Portfolio Oversight process is to monitor the portfolio to ensure alignment with organizational strategy and objectives and make governance decisions

NEW QUESTION: 12

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

A. Elicitation techniques, Value Scoring & Measurement Analysis, Benefits Realization Analysis

B. Elicitation techniques, Capability & Capacity Analysis, PMIS

C. Scenario Analysis, Capability & Capacity Analysis, Quantitative & Qualitative

D. Elicitation techniques, Communication Requirements Analysis, Stakeholder analysis

Answer: (SHOW ANSWER)

Explanation

You are in the Develop Performance Management Plan process. The answer to this question is Elicitation techniques, Capability & Capacity Analysis, PMIS

NEW QUESTION: 13

You have scored the portfolio components and are analyzing the data in order to prioritize the components.
Using the following scoring table, which of the options represents the correct Components Priority?
Larger image
A. D, B, C, E, A
B. A, C, E, B, D
C. D, B, E, C, A
D. D, B, E, A, C
Answer: D (LEAVE A REPLY)
Explanation
D, B, E, C, A is the correct prioritization sequence. First, you need to calculate the (Value*Weight) for each criteria for each component; then, sum the three resulting columns into a total column. The priority is from the highest total to the lowest

NEW QUESTION: 14
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 (LEAVE A REPLY)
Explanation
The program Business case and Management Plan do not have the program progress and benefits realization.
BC has the planned benefits, Management Plan includes the program benefits realization plan which has the guidelines and approaches to manage benefits. The benefits register contains the benefits progress, the program manager will extract the benefits report from it and present it to the portfolio board for review.
Pay attention, SPM is just a reference guide for the exam, so you will definitely have similar questions from outside the SPM in the exam. This is thought to be one of the occurring test questions (non-marked). However it does not hurt to know the answer!

NEW QUESTION: 15
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 (LEAVE A REPLY)
Explanation

The EEFs are internal or external conditions, not under the control of the portfolio organization, which influence, constrain, or direct a portfolio's success. They include: Organizational overall governance processes, culture, and detailed hierarchy structure; Legal constraints; Governmental or industry standards; Infrastructure; Existing human resources; Personnel administration; Marketplace conditions; Portfolio management information system; Commercial databases; Organizational project management; Stakeholder risk tolerances; organization culture and structure, infrastructure, OPM, legal and regulatory considerations, industry requirements; Published information, including commercial databases, academic studies, market research, and bench-marking

NEW QUESTION: 16
You have just recommended the Portfolio Strategic Plan and Portfolio to the governance board for approval.
The portfolio board members informed you that they did not find what they were looking for in the strategic plan and that it needs to be reworked. What should have been part of your Strategic Plan?
A. Allocation of funds for different types of initiatives
B. List of components with their detailed information
C. Timelines and Schedules
D. Governance Model
Answer: A (LEAVE A REPLY)
Explanation
One of the contents of the strategic plan is the allocation of funds and resources for different types of initiatives (portfolios, sub-portfolios, and other work) and how these contribute to the organization's objectives. The governance model is part of the Portfolio Management Plan. Portfolio structure including a listing of the various portfolio components is part of the Strategic plan, however the related option includes
"detailed information" which is part of the portfolio (portfolio mix).

NEW QUESTION: 17
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 (LEAVE A REPLY)

Explanation
The portfolio roadmap shows the internal and external portfolio dependencies. The charter only contains high-level dependencies. The roadmap is normally the document that the portfolio manager uses with upper-management because it depicts the current and to-be state of the portfolio in an easy way Reference:
SPM V3 Page 49 - 4.3

NEW QUESTION: 18
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. A major risk has recently occurred and the risk owner came to you asking advise on how to report it. what would you advise her?
A. Portfolio Process Assets
B. Risk Register
C. Portfolio Organizational Assets
D. Portfolio Reports
Answer: D (LEAVE A REPLY)
Explanation
The risk register is not used for communication with stakeholders as it may contain sensitive information and information with access rights. Risks and issues are part of the portfolio reports which contain, among others, portfolio risks and issues.

NEW QUESTION: 19
Your portfolio management team is a bit confused about the order of steps to follow when defining a portfolio.
They have been having debates and they came to you asking for the correct order of steps
A. Identification, selection, categorization, scoring, ranking, prioritization, resource allocation
B. Identification, categorization, ranking, scoring, selection, prioritization, resource allocation
C. Identification, categorization, scoring, ranking, selection, prioritization, resource allocation
D. Identification, categorization, scoring, ranking, prioritization, selection, resource allocation
Answer: C (LEAVE A REPLY)

NEW QUESTION: 20
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. Provide a guiding framework to operationalize the organizational strategic goals and objectives
B. Create a basis for decision making
C. Create portfolio scenarios
D. Understand the strategic priorities
Answer: C (LEAVE A REPLY)

NEW QUESTION: 21

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

A. Benefits Realization

B. Quantitative & Qualitative

C. SWOT

D. Value Scoring & Measurement

Answer: C (LEAVE A REPLY)

NEW QUESTION: 22

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 (LEAVE A REPLY)

Explanation

The Formulate organizational standards is not part of what the Portfolio Management Office helps the Portfolio management with. Formulating organizational standards is outside of the portfolio activities, in addition the portfolio activities ensures compliance with these standards

NEW QUESTION: 23

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 (LEAVE A REPLY)

Explanation

Portfolio components and their attributes are part of the portfolio itself. Portfolios include a list of components with attributes: costs, time, resources, velocity of the component's completion, relationships, ranking criteria, priorities, dependencies, goals , organization area, rationale for the Add/Remove components decision, portfolio component budget and resource approvals or exceptions, etc.

NEW QUESTION: 24

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

A. SWOT Analysis

B. Cost-Benefit analysis

C. Probability Analysis

D. Capability and Capacity Analysis

Answer: (SHOW ANSWER)

Explanation

Balancing a portfolio is a trait of the optimize portfolio process. After positioning ourselves in the process, SWOT is not relevant as it is part of the elicitation techniques used in manage portfolio value process; capability and capacity is not relevant to this scenario; cost-benefit analysis is part of this process, however is not relevant to this particular scenario; Probability Analysis is the answer here, it includes decision trees, flowcharts, and Monte Carlo simulation

NEW QUESTION: 25

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. For this, you are always on the lookout to optimize your portfolio. What can you use to start this process?

A. Roadmap, Portfolio Strategic Plan, Portfolio, Portfolio Reports, Portfolio Process Assets

B. Roadmap, Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Process Assets

C. Roadmap, Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Organizational Process Assets

D. Roadmap, Portfolio Management Plan, Portfolio, Portfolio Reports, Enterprise Environmental Factors

Answer: (SHOW ANSWER)

NEW QUESTION: 26

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 (LEAVE A REPLY)

Explanation

Meeting Minutes are part of Portfolio Process Assets

NEW QUESTION: 27

Efficiency is highly regarded when managing a portfolio and spans all activities i.e. risk management, communication management, etc. A portfolio is considered efficient if it

A. lies above the curve

B. Minimizes risks to the maximum

C. lies below the curve

D. Has the best possible expected level of return for its level of risk

Answer: D (LEAVE A REPLY)

Explanation

The portfolio is referred to as "efficient" if it has the best possible expected level of return for its level of risk

NEW QUESTION: 28

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 Reports

C. Portfolio Status Reports

D. Portfolio Risk Register

Answer: B (LEAVE A REPLY)

NEW QUESTION: 29

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

A. Manage Supply & Demand

B. Authorize Portfolio

C. Manage Portfolio Oversight

D. Optimize Portfolio

Answer: B (LEAVE A REPLY)

Explanation

The purpose of the "Authorize Portfolio" process is to activate selected portfolio components by allocating resources to develop component proposals or execute portfolio components; update relevant portfolio reports such as funding updates, resource assignments, and allocations; and document governance decisions. Key activities: 1- Authorizing portfolio component proposal development or portfolio component execution. 2- Allocating resources to authorized portfolio components. 3- Reallocating funding and resources from deactivated and terminated portfolio components to activated portfolio components or the resource pools. 4- Communicating changes and decisions for the authorized portfolio components

NEW QUESTION: 30

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. Weighted Ranking and Scoring Techniques

B. Graphical Analytical methods

C. Delphi

D. Cumulative distribution

Answer: C (LEAVE A REPLY)

NEW QUESTION: 31

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. Value/benefits
B. Budget approvals or exceptions
C. High-level time frame
D. Affected organization areas
Answer: A (LEAVE A REPLY)

NEW QUESTION: 32
In your diversified chicken products company, your portfolio of components in progress consists of approximately 175 programs, projects, and other work. Generally, at each Portfolio Review Board meeting, about 35 new proposals are reviewed to see if they should be part of the portfolio. As the portfolio manager, you have set up categories for these components. They are useful to facilitate portfolio optimization because:
A. They use filtering to eliminate certain components from consideration
B. They address organizational strategy and objectives
C. They help identify the components that meet requirements for consideration
D. They serve as key evaluation criteria
Answer: B (LEAVE A REPLY)

NEW QUESTION: 33
You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you are coaching your team on the same. One of your team members came to you asking about the order of the steps used to perform risk management activities. What should be your answer to him?
A. Risk Identification, Risk Assessment, Response Planning, Risk Response
B. Risk Planning, Risk Assessment, Risk Response
C. Response Planning, Risk Identification, Risk Assessment, Risk Response
D. Risk Identification, Response Planning, Risk Assessment, Risk Response
Answer: B (LEAVE A REPLY)
Explanation
The logical steps are Risk Planning, Risk Assessment, Risk Response. Risk identification is part of risk planning

NEW QUESTION: 34

One key artifact to review as the portfolio communications management plan is prepared is the:
A. Portfolio strategic plan since it shows the need for strategic alignment
B. Portfolio benefits realization plan to determine reports on progress in benefit realization, transition, and sustainment
C. Portfolio performance plan as it sets forth needed reports and their frequency
D. Portfolio management plan as it shows all elements in it have communications requirements
Answer: D (LEAVE A REPLY)

NEW QUESTION: 35
The portfolio strategic plan should contain a prioritization model or approach that guides the ongoing decisions as to which portfolio components should be added, terminated, or changed, as well as prioritizes and balances the component mix over time. A simple prioritization model may be provided which contains
A. ROI
B. Criteria to ensure alignment to strategic goals
C. Investment risks
D. All of the options
Answer: D (LEAVE A REPLY)

NEW QUESTION: 36
As a portfolio manager and as part of your governance role, you use multiple tools and techniques to monitor and control the portfolio and maintain oversight. Which of the following can be used as tools and techniques in your role in oversight?
A. Review meetings, Elicitation techniques, Scenario Analysis
B. Review meetings, Elicitation techniques
C. Review meetings, Elicitation techniques, Integration Management
D. Review meetings, Elicitation techniques, PMIS
Answer: B (LEAVE A REPLY)

NEW QUESTION: 37
As part of developing the Communication Management Plan, a portfolio manager executes the Communication Requirements Analysis, in addition to Stakeholders Analysis. Which of the following options in your opinion is a result of the Stakeholders Analysis?
A. All of the options
B. Communication Matrix
C. Communication Strategy matrix
D. Elicitation technique
Answer: D (LEAVE A REPLY)
Explanation
The Stakeholder Analysis results in the definition of the types of stakeholders (Internal/External), the stakeholder communication strategy matrix (Influence/Interest) and the stakeholder matrix including stakeholders groups, roles, interests and expectations

NEW QUESTION: 38

You are managing a highly technical portfolio and are already mid-way through the implementation. You know that the communication is key to success as all the involved parties and stakeholders have a high technical exposure and you should maintain their buy-in along the lifecycle. Part of your activities is to collaborate with stakeholders to reach a common ground and to resolve conflicts. Which of the following is considered a collaboration technique?
A. Interview and observation survey techniques
B. Polling input from a team as a consensus or majority vote
C. All of the options
D. Focus groups and brainstorming activities
Answer: (SHOW ANSWER)

NEW QUESTION: 39
Which of the following is NOT considered as a criteria for prioritization?
A. Number of Human Resources Required
B. Legalities
C. Strategic Alignment
D. Interdependency
Answer: (SHOW ANSWER)

NEW QUESTION: 40
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 (LEAVE A REPLY)
Explanation
You should continue your work and perform the process as new information regarding resource requirements emerge through the progressive elaboration of portfolio components and processes may need to be performed over and over again Pay attention, SPM is just a reference guide for the exam, so you will definitely have similar questions from outside the SPM in the exam. This is based on the correct conduct of a portfolio manager and the correct flow of portfolio management.

NEW QUESTION: 41
You are working to optimize your portfolio and determine a priority list of components to pursue. In your product development company, of the triple constraints, quality and scope dominate. This does not imply that schedule and budget are not important, but since the company requires regulatory approval for its products, quality dominates the company.

Quality goals that are too low may lead to end-user dissatisfaction; however, goals that are too high may be too costly to the company. Therefore it is important to consider:
A. The value proposition
B. Risk analysis and assessment
C. Market analysis
D. Cash-flow requirements
Answer: C (LEAVE A REPLY)

NEW QUESTION: 42
A junior Portfolio manager has come to you for advice. He is hearing a lot about the focus of portfolio management practices, however, he is not sure anymore of the exact answer. What do you, as an experienced portfolio manager tell him?
A. Portfolio is undertaken to produce deliverables that support specific organizational objectives
B. Portfolio is undertaken to achieve one or more organizational strategies and objectives
C. Portfolio is undertaken to achieve benefits
D. Portfolio is undertaken to handle operational daily activities
Answer: B (LEAVE A REPLY)
Explanation
Program is undertaken to achieve benefits. Project is undertaken to produce deliverables. Operational work is undertaken to handle operational daily activities. Portfolio is undertaken to achieve one or more organizational strategies and objectives

NEW QUESTION: 43
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 Management Plan
B. None of the options
C. Portfolio Process Assets
D. Portfolio
Answer: C (LEAVE A REPLY)

NEW QUESTION: 44
While there are a number of recommended contents of the portfolio strategic plan, a guiding principle is to:
A. Document assumptions and constraints
B. Define the portfolio vision and objectives to align with organizational strategy
C. Recognize the portfolio will evolve through progressive elaboration
D. Recognize stakeholder risk tolerances
Answer: (SHOW ANSWER)

NEW QUESTION: 45

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 performance plan
B. Portfolio strategic plan
C. Portfolio management plan
D. Portfolio charter
Answer: C (LEAVE A REPLY)

NEW QUESTION: 46
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 (LEAVE A REPLY)
Explanation
Performance measures and targets (metrics) are set at the portfolio component level and then rolled up to the portfolio level to determine overall portfolio impact

NEW QUESTION: 47
Portfolio Governance is important in a portfolio to maintain correct alignment, monitor and control performance and status, reshuffle the mix of components as found necessary, etc. Governance management includes which of the following processes?

A. Develop Portfolio Communication Plan
B. Develop Charter
C. Manage Supply & Demand
D. Optimize Portfolio
Answer: D (LEAVE A REPLY)

NEW QUESTION: 48

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

A. Portfolio Components

B. Portfolio Strategic Management

C. Portfolio Components and Ongoing Operations

D. Ongoing Operations

Answer: (SHOW ANSWER)

Explanation

Organizational strategy is implemented through portfolio components and ongoing operations

NEW QUESTION: 49

You are currently defining a hierarchical representation of your portfolio and its components and listing the major and milestone components, including dependencies internal and external to the portfolio with business units. For this you know that you will need multiple inputs. Which of the following are considered inputs in your case?

A. Portfolio, Portfolio Strategic Plan, Portfolio Process Assets

B. Portfolio, Portfolio Charter, Portfolio Strategic Plan

C. Portfolio, Portfolio Charter, Portfolio Management Plan

D. Portfolio, Portfolio Strategic Plan, Portfolio Management Plan

Answer: B (LEAVE A REPLY)

Explanation

You are in the Define Roadmap process. The answer to this question is Portfolio, Portfolio Charter, Portfolio Strategic Plan

NEW QUESTION: 50

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

A. Strategic Plan

B. Governance Model

C. Risk Roles & Responsibilities

D. Risk Register

Answer: (SHOW ANSWER)

NEW QUESTION: 51

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 vs. Return charts
C. Burn Down/Up charts
D. Monte Carlo Analysis
Answer: A (LEAVE A REPLY)
Explanation
The tornado diagram displays the contribution of each of the identified risks to the value of one strategic objectives i.e. profitability, etc.

NEW QUESTION: 52
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 burned cost and time against planned ones
D. They show the execution of the portfolio against the overall budget and time
Answer: (SHOW ANSWER)

NEW QUESTION: 53
Your organization conducted an OPM3 assessment focusing on its best practices in portfolio management and also on those that were needed. The OPM3 Certified Professional felt greater attention was needed managing strategic change. This means:
A. It is easier to determine which components will require specialized resources
B. The project charter should be reviewed
C. The strategic plan should be updated
D. Budget allocation can be handled more effectively
Answer: B (LEAVE A REPLY)

NEW QUESTION: 54
You are the manager for a governmental portfolio aiming to restructure the roads in your country. Having a tight schedule, a large number of stakeholders including the public, in addition to a strict budgeting framework, you know that you will be managing the performance closely and that the governance board and the stakeholders would want to check on the progress and performance frequently. For this you have developed a robust performance management plan. What is expected to be found in this plan?
A. Resource optimization and Benefits Realization
B. Identified stakeholder expectations
C. Portfolio Vision and measurable goals and guidance
D. Resources required by type and quantity
Answer: A (LEAVE A REPLY)

NEW QUESTION: 55
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. Investment choices

B. Sensitivity analysis

C. Ranking and scoring techniques

D. Trend analysis

Answer: D (LEAVE A REPLY)

NEW QUESTION: 56

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 (LEAVE A REPLY)

Explanation

The scenario points to the weighted ranking and scoring techniques which help assessing risk against multiple criteria

NEW QUESTION: 57

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

A. Qualifies estimated costs and benefits and lists quantitative considerations of alternative portfolio components

B. Qualifying estimated costs and benefits

C. Quantitative considerations of alternative portfolio components

D. Quantifies estimated costs and benefits and lists qualitative considerations of alternative portfolio components

Answer: D (LEAVE A REPLY)

NEW QUESTION: 58

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

A. Probability Impact Assessment

B. List of potential responses

C. Updated risk categories

D. Person who Identified the risk
Answer: (SHOW ANSWER)

NEW QUESTION: 59
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: (SHOW ANSWER)
Explanation
Based on the standard for portfolio management, the portfolio is the means to the "to-be" vision

NEW QUESTION: 60
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: (SHOW ANSWER)
Explanation
The risk register is not used for communication with stakeholders as it may contain sensitive information and information with access rights. Risks and issues are part of the portfolio reports which contain, among others, portfolio risks and issues. As a portfolio manager you will need to extract the needed data from the registers and send it as a report to the stakeholders

NEW QUESTION: 61
Assume you are creating a roadmap for your portfolio and will present it to key stakeholders and then to the Portfolio Review Board. You realize you will be adding additional detail to it, but you also believe its graphical format will be useful. In developing it, you decide to reference prioritization, dependencies, and organizational areas so you should consult the:
A. Portfolio management plan
B. Organization's strategic plan
C. Portfolio charter
D. Portfolio strategic plan
Answer: C (LEAVE A REPLY)

NEW QUESTION: 62
In a portfolio, data is an abundant asset, and managing the information aiming for a a better decision making is critical. For this you use a variety of Quantitative and Qualitative analysis methods. These methods are performed in 4 of the portfolio management processes and serve a slightly different purpose in each and every one of them. When it comes to the optimizing portfolio, what is the purpose of using this analysis?
A. Performing Cost-benefit analysis, quantitative analysis, scenario analysis, probability analysis, SWOT analysis, Market/competitor analysis and business value analysis
B. Performing resource leveling, project sequencing techniques and dependency analysis
C. Performing Status and trend analysis, Rebalancing methods, Investment choice tools, exposure charts
D. Performing Quantitative analysis and Sensitivity analysis
Answer: A (LEAVE A REPLY)

NEW QUESTION: 63
Due to multiple occurrences of risk realization, the CEO has asked you to re-assess the portfolio risks once again. Up to what level in the organization do you go when you need to assess risks?
A. Operational
B. All Organizational Levels
C. Functional
D. Internal to the portfolio
Answer: B (LEAVE A REPLY)
Explanation
Risks are external and Internal and tend to span across all organizational levels. When a portfolio manager needs to assess risks, he/she will need to pass by all organizational levels

NEW QUESTION: 64
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. Risk categories
B. Portfolio algorithms
C. Lessons learned
D. Vision statements
Answer: B (LEAVE A REPLY)

NEW QUESTION: 65
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 (LEAVE A REPLY)
Explanation
The scenario targets the outputs of the "Develop Performance Management Plan" process. The answer to this question is Portfolio Management Plan updates, Portfolio Process Assets updates

NEW QUESTION: 66
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 E. Assume three of the programs and projects can be added to the portfolio when the Board meets. Your recommendation is to select:

Project/Program	*Cost*	*IRR*	*Risk*	*Type*
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

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

C. A, B, and C
D. A, D, and C
Answer: (SHOW ANSWER)

NEW QUESTION: 67
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 (LEAVE A REPLY)
Explanation
The governance model is part of the portfolio management plan; the scenario in this question is directly related to the updates on the governance model.

NEW QUESTION: 68
In order to guide the work and correctly manage the portfolio, one of the major documents to be prepared is the Portfolio Management Plan acting as guideline for portfolio management. What are the tools and techniques you could use while developing this plan?
A. Integration of Subsidiary Plans, Organizational Structure Analysis, Elicitation techniques
B. Capability & Capacity Analysis, Weighted Ranking and scoring techniques, Graphical Analytical Methods, Quantitative & Qualitative Analysis, PMIS
C. Capability & Capacity Analysis, Weighted Ranking and scoring techniques, Graphical Analytical Methods, Quantitative & Qualitative Analysis
D. Weighted Ranking and scoring techniques, Portfolio Component inventory, Categorization
Answer: A (LEAVE A REPLY)
Explanation
The answer to this question is Integration of Subsidiary Plans, Organizational Structure Analysis, Elicitation techniques

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. What can you use to help you in this context?
A. Roadmap, Portfolio Management Plan, Portfolio Reports, Portfolio Process Assets, Portfolio Component Reports
B. Roadmap, Portfolio Management Plan, Portfolio Reports
C. Roadmap, Portfolio Management Plan, Portfolio Reports, Portfolio Process Assets, Portfolio Strategic Plan
D. Roadmap, Portfolio Management Plan, Portfolio Reports, Portfolio Process Assets
Answer: B (LEAVE A REPLY)

NEW QUESTION: 70
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 (LEAVE A REPLY)
Explanation
Market Payoff variability focuses on pricing and sales forecast

NEW QUESTION: 71
Portfolio Reports are widely used as inputs and outputs to multiple processes throughout the Portfolio Life Cycle. Which of the following is NOT part of portfolio reports?
A. None of the options
B. Updates in resources, risks/issues, value/benefits, performance, and financials
C. Governance Recommendations
D. Feedback report to organizational strategy planning
Answer: A (LEAVE A REPLY)
Explanation
Portfolio Reports include: Performance reports, including scorecards and dashboards; Feedback report to organizational strategy planning; Variance reports, Resource capacity and capability reports, resource utilization and resource efficiency; Funding allocated to Pf elements; Variances, analysis of the variances, and recommendations to be considered by the governing body; Portfolio risks and issues; Governance recommendations; Governance decisions; Portfolio component recommendations; Updates in resources, risks/issues, value/benefits, performance, and financials

NEW QUESTION: 72
When initiating portfolio components and terminating other, you come up with updates to budget, funding and resources allocations. Where should these updates be recorded?
A. Portfolio Updates
B. Portfolio Management Plan updates
C. Portfolio Reports
D. Portfolio Process Assets updates
Answer: (SHOW ANSWER)

NEW QUESTION: 73
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 develop and maintain portfolio, program and project management frameworks and methodologies
C. Her responsibility is to continuously review, reallocate, re-prioritize and optimize the portfolio to ensure alignment with strategic objectives
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: (SHOW ANSWER)

NEW QUESTION: 74
Initiatives in the companies aim to deliver values. For a portfolio, the value is delivered through a mix of components with similar strategic goals and objectives. Multiple components can contribute in the realization of the same organizational value. While managing the portfolio value, how do you depict the relationships between components in achieving value?
A. Cumulative distribution
B. Outcome probability analysis
C. Set realistic targets in line with stakeholder risk tolerances
D. Cause and effect relationships between the portfolio components that are needed to deliver planned benefits
Answer: D (LEAVE A REPLY)

NEW QUESTION: 75
A new sponsor was appointed by the company in order to push more on the investments underway. The new sponsor wants detailed information on time and money and wants to get things done quickly. Which element of the portfolio management plan will be referred to for managing the sourcing of key resources?
A. Portfolio Oversight
B. Governance Model
C. Communication Management Plan
D. Performance Management Plan
Answer: D (LEAVE A REPLY)
Explanation
The Portfolio Performance Management Plan defines how and when the portfolio resources will be planned, balanced, and allocated to the portfolio components and how the portfolio component progress and resource-related issues and risks are integrated with the resource management activities to ensure that cost-effective resource allocations are made to maximize portfolio performance. It manages the sourcing of key resources such as finance, assets, and human resources to ensure optimal returns. It is critical in closing the gap between organizational strategy and the fulfillment of that strategy. It Documents how the organization plans to measure, monitor, control and report (1) portfolio performance, (2) resource management, and (3) portfolio value

NEW QUESTION: 76
The portfolio management information system (PMIS) is often a collection of spreadsheets rather than automated tools. An effective PMIS enables the portfolio manager to define, analyze, design, produce, and manage systems to support a successful portfolio. Which of the following is a trait of a PMIS?
A. Recording Stakeholder opinion

B. Archiving legal data
C. All of the options
D. Learning hub
Answer: B (LEAVE A REPLY)
Explanation
PMIS is neither used as a training and learning hub, nor as a recording system for stakeholder opinion. One of its uses is to archive data for future use; which in our case is the option related to archiving legal data

NEW QUESTION: 77
You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you are coaching your team on the same. You started with developing the plan that will be used as guideline for the component plans to manage risks at their level. What are the outputs of this plan?
A. Portfolio Management Plan updates, Portfolio updates, Portfolio Reports, Enterprise Environmental Factors updates
B. Portfolio Management Plan updates, Organizational Process Assets updates, Portfolio Process Assets updates
C. Portfolio Management Plan updates, Organizational Process Assets updates, Portfolio Reports, Enterprise Environmental Factors updates
D. Portfolio Management Plan updates, Organizational Process Assets updates, Portfolio Process Assets updates, Portfolio updates
Answer: B (LEAVE A REPLY)
Explanation
The portfolio plans play a role as guidelines for the development of component plans and this is part of maintaining the alignment and the standardization between different initiatives.
This scenario targets the outputs of the "Develop Risk Management Plan" process. The answer to this question is Portfolio Management Plan updates, Organizational Process Assets updates, Portfolio Process Assets updates

NEW QUESTION: 78
Your company, which has been in the blimp business for over 50 years, prides itself on its robust portfolio management process, which is especially useful now that the demand for blimps of various sizes is much greater than the capacity to produce them. One of the reasons the blimp company has been so successful over the years is it has central management of all of its resources. This approach is important:
A. To monitor resource allocation
B. To ensure the right resources are assigned

C. Since the various types of needed resources may be limited
D. As a way to assess whether existing resources have the competencies to support the components in the portfolio
Answer: (SHOW ANSWER)

NEW QUESTION: 79
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 (LEAVE A REPLY)
Explanation
In this case, you perform Stakeholder Analysis (which is part of the tools and techniques of this process) in order to understand the stakeholders concerns and requirements and act accordingly. Escalation is not a valid option as nothing needs escalation yet. Prioritization is not part of this process and stakeholders concerns need to be catered for no matter in which quadrant they are

NEW QUESTION: 80
Embracing a management-by-projects culture means there tends to be far more projects to pursue than available resources. An approach then is required to guide decisions as to components in the portfolio. A best practice to follow is to:
A. Set forth in the portfolio strategic plan a prioritization model
B. Focus on both internal and external environmental changes
C. Develop a portfolio roadmap
D. Focus on sustainment of project benefits
Answer: (SHOW ANSWER)

NEW QUESTION: 81
In a portfolio you have a continuous interaction between the portfolio and its components. You have to follow a lot of processes and procedures in order to reach a satisfactory result. In your opinion as a portfolio manager, who guides the portfolio team to follow the processes, metrics, and other procedures in the portfolio?
A. Company's CEO
B. Portfolio Management Office
C. Portfolio Sponsor
D. Portfolio Manager
Answer: (SHOW ANSWER)

NEW QUESTION: 82
You are managing a large portfolio and know that you will need to constantly show the progress and status of the portfolio in meeting. For this you have developed a robust roadmap using BI tools. The portfolio roadmap is an important document

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

A. The portfolio roadmap provides a high-level timeline for expected portfolio component delivery

B. The portfolio roadmap helps with the understanding of the structure of the portfolio and interdependencies among the portfolio components

C. The portfolio roadmap is necessary for this process because it summarizes strategic objectives, evolving aspects of the strategy by organizational areas, portfolio milestones, dependencies, challenges, and risks

D. The portfolio roadmap provides the high-level strategic approach in a chronological fashion for portfolio management execution

Answer: B (LEAVE A REPLY)

NEW QUESTION: 83

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

A. Change or configuration management systems, Communication management processes and tools

B. Software tools, Risk database and analysis tools, Earned value management processes and tools

C. All of the options

D. Financial management processes and systems, Communication management processes and tools

Answer: (SHOW ANSWER)

NEW QUESTION: 84

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 (LEAVE A REPLY)

Explanation

Risk concerns for operations management risk concerns generally involve issues with product and project development, organization products, services, and processes needed to support change

NEW QUESTION: 85

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. An alignment with the prioritization model

B. Common criteria for portfolio optimization
C. A similar approach to track contribution to strategic goals
D. A way to set up a common set of decision filters
Answer: D (LEAVE A REPLY)

NEW QUESTION: 86
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: (SHOW ANSWER)
Explanation
The Prioritization Model guides the ongoing decisions as to which portfolio components should be added, terminated, or changed, as well as prioritizes and balances the component mix over time; it Contains criteria to ensure alignment to strategic goals, expected return on investment (ROI), investment risks, and dependencies.
Scoring elements may be based on strategic alignment, financial benefits, financial costs, risk, and dependencies to determine an overall scoring and ranking.

NEW QUESTION: 87
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: (SHOW ANSWER)

NEW QUESTION: 88
Each portfolio risk should have a designated person as its owner. As the portfolio manager assigns the owner, the main responsibility is to:
A. Monitor the situation as long as the risk is current
B. Strive to take a negative risk and turn it into a positive opportunity
C. Determine an appropriate response and implement it as soon as the risk occurs
D. Analyze the risk for its overall impact on portfolio success
Answer: (SHOW ANSWER)

NEW QUESTION: 89
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 can not be mitigated to other third parties, whereas program and project risks can
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 focus on strategies, whereas program and project risks focus on implementation
Answer: B (LEAVE A REPLY)

NEW QUESTION: 90
Assume you are the portfolio manager for a company that specializes in software, including portfolio management software. It has many components under way to enhance the existing product line but also to move the company into Cloud computing. You regularly prepare reports on the portfolio status but lately have had a large number of stakeholders request ad hoc reports. You decided to survey your stakeholders to learn about their information needs. You next decided to hold some one-on-one interviews with several interested and influential stakeholders in terms of communications requirements. From these interviews you are concerned that some stakeholder groups may be missing so you decided to:
A. Hold some lessons learned sessions
B. Convene a focus group
C. Conduct another survey
D. Have a brainstorming session
Answer: (SHOW ANSWER)

NEW QUESTION: 91
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 (LEAVE A REPLY)
Explanation
This scenario targets the outputs of the "Manage Portfolio Value" process. The answer to this question is Portfolio Reports, Portfolio Management Plan updates, Portfolio Process Assets updates

NEW QUESTION: 92

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. Documented these decisions in portfolio reports

B. Set up both quantitative and qualitative metrics to determine the usefulness of adding resources to the other components

C. Worked with the component managers to ease the transition

D. Met with the affected component managers and their teams to explain these changes

Answer: (SHOW ANSWER)

NEW QUESTION: 93

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

A. Create portfolio scenarios

B. Provide a guiding framework to operationalize the organizational strategic goals and objectives

C. Understand the strategic priorities

D. Create a basis for decision making

Answer: C (LEAVE A REPLY)

NEW QUESTION: 94

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. Risk tolerances

C. Interdependencies between the new components

D. Key stakeholders

Answer: D (LEAVE A REPLY)

NEW QUESTION: 95

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: (SHOW ANSWER)

Explanation

The Portfolio Communication Management Plan defines all communication needs, establishes communication requirements, specifies frequency, and identifies recipients for information associated with the portfolio management process; it includes: Communication objectives, Roles and responsibilities for managing communication, Identified stakeholders, Identified stakeholder expectations, Planned methods to collect and store communication, Planned vehicles to access and deliver communication, Planned frequency, and Communication policies/constraints

NEW QUESTION: 96

Assume you completed your portfolio performance management plan, and it was approved by the Oversight Committee. This plan, with an overall purpose to maximize portfolio performance, describes resource allocation and resource-related issues among other items. In it a key component is benefits realization. This emphasis on benefits planning provides:

A. Methods to assist in benefit identification

B. Examples for templates for benefits realization planning

C. An approach focusing on continuous improvement in overall performance

D. Methods to evaluate the expected net benefits

Answer: (SHOW ANSWER)

NEW QUESTION: 97

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: (SHOW ANSWER)

Explanation

A portfolio is a component collection of programs, projects, or operations managed as a group to achieve strategic objectives. An organization may have one or more portfolios. Portfolio management processes are repeated throughout the portfolio life cycle. A portfolio does not have a set end date.

NEW QUESTION: 98

A portfolio manager needs to continuously balance the need and requirements with the available resources and needs to maintain a balanced portfolio and portfolio resources in order to optimize delivery. Capability and Capacity analysis is performed in 4 of the portfolio management processes and it serves a slightly different purpose in each and every one of them. When it relates to developing the performance management plan, what is the purpose of using this analysis?

A. To study the capability of resources, match them against the portfolio's objectives and goals, and translate the capability into what capacity is possible to meet the portfolio demands

B. Performed to understand the human, financial, and asset capacity and capability of the organization in order to select, fund, and execute portfolio components

C. It enables the organization to achieve maximum portfolio benefits given current resource constraints

D. To understand how much work is able to be performed based on the resources available (capacity), as well as the ability of the organization to source and execute the selected portfolio

Answer: B (LEAVE A REPLY)

NEW QUESTION: 99

Your CEO is keen to know the expected value of multiple components that interest him and wants you to give him a comparison of the expected value across components. You are currently looking for a tool to facilitate comparison of expected value across components and support informed portfolio decision making. What are you looking for?

A. Manage Portfolio Value

B. Portfolio Strategic Plan

C. Value Measurement Framework

D. Portfolio Process Assets

Answer: (SHOW ANSWER)

Explanation

The value measurement framework organizes the value that is to be created, how value will be measured, and recognizes the possible types of value; in addition it facilitates comparison of expected value across components and supports informed portfolio decision making. It is continuously improved by lessons learned through execution. The question asks about a tool and not about a process or plan

NEW QUESTION: 100

During the portfolio lifecycle, you will be using the roadmap a lot and you be using it to report progress to different stakeholders. When it comes to portfolio roadmap, which of the following options is true?

A. Roadmap are rarely updated, in contrast to the portfolio charter which gets frequently updated

B. Roadmap includes internal and external dependencies to other organizational areas

C. Roadmap is defined after the planning of all components is finished

D. Roadmaps incorporate all components and shows a graphical representation of the portfolio progress over time

Answer: B (LEAVE A REPLY)

Explanation

Roadmap does not incorporate all components, instead it only contains the components that directly add to the value (major and milestone ones). It is updated more frequently than the charter (charter is normally updated only in case of a major strategic change). It is a graphical representation of portfolio components that brings value to the portfolio and includes internal dependencies as well as external ones, in addition to timelines and milestones, etc.

NEW QUESTION: 101

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: (SHOW ANSWER)

Explanation

The scenario targets the defining Process Group and asks about its end goal. This process establishes how the organizational strategy and objectives will be implemented in your portfolio and for developing the portfolio management plan and its subsidiary plans, etc. as a result of updates in plans, near-term budgets, etc. (SPM V3 Page 31 - 3.1.1). The Defining Process Group end goal is define and plan execution of the portfolio processes by developing/updating the portfolio strategic plan, charter, and the portfolio management plan and to define the portfolio and portfolio roadmap. (SPM V3 Page 176) The correct answer is Developing specific portfolio assets i.e. plans, artifacts (charter, roadmap), etc.

NEW QUESTION: 102

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

A. Resource Schedules

B. Resource Management Tools

C. Resource Smoothing

D. Finite Capacity planning

Answer: D (LEAVE A REPLY)

NEW QUESTION: 103

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

A. Roadmap

B. Charter

C. Strategic plan

D. Governance model

Answer: A (LEAVE A REPLY)

NEW QUESTION: 104

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 is not an input to this process

B. Roadmap contains the portfolio structure which is used to structure the components for management through the portfolio management plan

C. High-level timelines in roadmap are used to define low-level schedule and timelines for portfolio components

D. Roadmap provides the prioritization model to the portfolio management plan

Answer: C (LEAVE A REPLY)

NEW QUESTION: 105

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

A. Earned Value

B. Cost Sunk

C. All the options

D. CPI and SPI

Answer: C (LEAVE A REPLY)

Explanation

Cost Sunk, Earned Value, and CPI and SPI are all used for performance reporting.

Sunk cost is the cost that has already been incurred, and there is no way to recover this cost; it is equal to Actual Cost to date

NEW QUESTION: 106

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

A. The Portfolio Manager develops and updates the portfolio metrics and the PMO approves them

B. PMO does not have a role in the development or update of performance metrics; it should only offer support to Portfolio Manager with the needed templates to develop metrics

C. PMO should be prepared to develop new metrics when appropriate and delete or change metrics that are no longer relevant

D. PMO should work hand in hand with the governance board to approve the performance metrics

Answer: C (LEAVE A REPLY)

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. Which of the below helps in optimizing the supply and demand?
A. Minimize both the unused capacity and the unmet demands
B. Maximize both the unused capacity and the unmet demands
C. Maximize the unused capacity and minimize the unmet demands
D. Minimize the unused capacity and maximize the unmet demands
Answer: B (LEAVE A REPLY)
Explanation
Resources should be allocated to minimize both unused capacity and unmet demand

NEW QUESTION: 108
Your dry foods company is faced with new regulations that dramatically change what is to be included in each product to put on redesigned food labels. The objective of the regulations is to help reduce obesity in the citizens in your country so they are aware of trans-fat food. You must be in complete compliance with these regulations in six months. As the portfolio manager you must document how you will address these regulations in a:
A. Detailed report to the Portfolio Review Board
B. Portfolio communications plan
C. Meeting with all employees as some existing components will be deferred to meet the requirements
D. Portfolio performance plan
Answer: (SHOW ANSWER)

NEW QUESTION: 109
You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. The Portfolio Process Assets are important and referenced throughout the portfolio life cycle. Which of the following is correct regarding the Portfolio Process Assets 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. Can be used to influence the portfolio's success
D. Corresponds to the means to the "to-be" vision
Answer: C (LEAVE A REPLY)
Explanation
The Portfolio Process Assets are any or all process-related assets, from any of the stakeholders and teams involved in the portfolio that can be used to influence the portfolio's success. It contains: Processes, guidelines, policies, and procedures; Specifications, work instructions, proposal evaluation criteria, and performance measurement criteria Templates; Portfolio communication requirements; Procedures for portfolio component work authorizations; Performance measurement

databases; List of portfolio components, components files and Portfolio component selection criteria; Historical information and lessons learned knowledge bases; Meeting minutes, Portfolio structure, Integrated schedules; Governance decisions and open issues, Funding decisions, Resource decisions; Portfolio manager roles and responsibilities, Status reports, Portfolio risk profile or risk assessment with key risks and issues, Portfolio forecasts with variance to plan, Portfolio value assessments, Delegations of responsibility for communication, Prioritization algorithms, Portfolio risk register and Portfolio issue register

NEW QUESTION: 110
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 (LEAVE A REPLY)
Explanation
The answer to this question is Portfolio Management Plan updates, Portfolio Roadmap updates, Portfolio updates

NEW QUESTION: 111
As part of the periodical strategic management cycle, the portfolio management team is revising the portfolio and re-doing the strategic management part. Currently, they are assuming and evaluating different combinations of components in order to come up with multiple approaches and take a decision on the portfolio structure. What is currently being performed?
A. Capability and Capacity Analysis
B. Scenario Analysis
C. Stakeholders Analysis
D. Readiness Assessment
Answer: B (LEAVE A REPLY)
Explanation
Portfolio structure is part of the Portfolio Charter, and the analysis that you are doing is aimed to determine the portfolio structure for inclusion in the portfolio charter. Scenario Analysis allows the portfolio management team to draw different scenarios while developing the portfolio charter

NEW QUESTION: 112
Portfolios have a lot of components in them and are executed along an extended lifecycle. For this, as a portfolio manager, you continuously monitor and control the progress and status. What input can you use to help you with this?
A. Roadmap, Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Organizational Process Assets
B. Roadmap, Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Process Assets
C. Roadmap, Portfolio Strategic Plan, Portfolio, Portfolio Reports, Portfolio Process Assets
D. Roadmap, Portfolio Management Plan, Portfolio, Portfolio Reports, Enterprise Environmental Factors
Answer: B (LEAVE A REPLY)

NEW QUESTION: 113

Your Portfolio Review Board is scheduled to meet in a week. Resources only are available to support one project, and detailed business cases have been prepared for two of them. Your company has a policy of being risk adverse. Based on the following table, which project would you recommend to the Board, and what else would you mention to them?

	Project 1	Project 2
Benefits	$750,000	$25,000
Costs	$500,000	$15,000

A. Project B and it has less risk associated with it
B. Project A and it has less risk associated with it
C. Project B but other qualitative items are not available
D. Project A as the benefits will be realized in a shorter time period
Answer: C (LEAVE A REPLY)

NEW QUESTION: 114

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 (LEAVE A REPLY)
Explanation
The financial resource capability and capacity will be constraining factors for the number of portfolio components or the size of portfolio components the organization can execute

NEW QUESTION: 115

Performance reporting is important in a program and usually, the portfolio manager aggregates performance information from the portfolio components in order to present the related reports. Which of the following measures can be used in performance reporting?
A. CPI and SPI
B. Cost Sunk
C. All the options
D. Earned Value
Answer: C (LEAVE A REPLY)

NEW QUESTION: 116

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

A. Scenario Analysis

B. Sequencing Techniques

C. Interdependency Analysis

D. Capability and Capacity Analysis

Answer: (SHOW ANSWER)

NEW QUESTION: 117

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: (SHOW ANSWER)

Explanation

The organizational strategy and objectives provide long-term direction, and they target the vision and mission, which reflect a long-term direction. These are normally put in a statement that you will use in this case.

PPAs are portfolio supporting documents that can influence success, and inventory of work shows the current work being undertaken in the organization and serves as a starting point for developing a portfolio. The strategic plan is not an input to the Develop Strategic Plan process

NEW QUESTION: 118

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 is part of the develop strategic plan and not develop portfolio management plan

C. This analysis, along with the analysis of the portfolio structure from the charter, help in the selection of strategically aligned portfolio components

D. This analysis will help in prioritizing the portfolio

Answer: A (LEAVE A REPLY)

NEW QUESTION: 119

You have been assigned as the manager for a major transformation portfolio in your company. You are acquiring the position due to the failure of the previous manager and the strategic importance of the portfolio.

You start by consulting the portfolio strategic plan. What do you expect finding in that plan?

A. Allocation of funds and resources for different types of initiatives and how these contribute to the organization's objectives
B. Governance model
C. Managing strategic changes
D. Scope of the portfolio and the initial list of primary internal and external portfolio stakeholders
Answer: A (LEAVE A REPLY)
Explanation
The Governance model, Managing strategic changes and Scope of the portfolio and the initial list of primary internal and external portfolio stakeholders, are part of the Portfolio Management Plan.
The Portfolio Strategic Plan includes: Vision for the portfolio, which is based on the alignment with the organization's goals and objectives; Objectives; Measurable goals and guidance, Components relationships and dependencies; Allocation of funds and resources for different types of initiatives (portfolios, sub-portfolios, and other work) and how these contribute to the organization's objectives; Portfolio benefits are clearly and consistently identified; Performance results, and value expected; Communication required to ensure successful change and implementation; Initiatives can be appraised and prioritized; Strategic objectives can be optimized with available resources and risks; Resources required by type and quantity; Key assumptions, constraints, relationships, dependencies, and risks; Portfolio structure including a listing of the various portfolio components and other work; Portfolio prioritization model, a high-level prioritization, decision-making framework; Org areas and org structure; Organizational risk tolerance, communication strategy, and performance strategy

NEW QUESTION: 120
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. Governance team and Executives
C. Portfolio Manager and Steering Committee
D. Portfolio Management Team does both
Answer: B (LEAVE A REPLY)

NEW QUESTION: 121
Assume you are the corporate portfolio manager for your global organization. There is one portfolio at the corporate level, but other portfolios supporting business units and core areas of the company. One of these portfolios involves manufacturing, and its number one program in terms of priorities is to implement an enterprise resource planning system. Since it is the number one ranked program in this portfolio, it is of interest at the corporate level, and you and your team provide reports on its progress monthly. You can see that:
A. Use of the ERP vendor has been underestimated, and a business case will be needed for increased funding
B. Extensive training will be needed after the program is complete, and an infrastructure does not exist to support the ERP system
C. Inadequate, up-front financial planning was done when the business case was approved
D. Since earned value is being used, at this point you report the ERP system will not meet its cost and schedule goals
Answer: B (LEAVE A REPLY)

NEW QUESTION: 122
Consider you have the following efficient frontier graph with multiple portfolios on it. Which portfolio do you choose?
Larger image
A. Portfolio C
B. Portfolio A
C. Portfolio D
D. Portfolio B
Answer: C (LEAVE A REPLY)

NEW QUESTION: 123
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: (SHOW ANSWER)

NEW QUESTION: 124
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. Resource management
B. Change control and management
C. Manage strategic change
D. Performance management
Answer: B (LEAVE A REPLY)