



## **The Foundation Examination**

***MoP Foundation Exam***

***28 September 2012***

**Multiple Choice**

***40 minute Paper***

***Instructions***

- 1. All 50 questions should be attempted.**
- 2. All answers are to be marked on the answer grid provided.**
- 3. Please use a pencil and NOT ink to mark your answers in the Answer sheet provided.**
- 4. There is only one correct answer per question.**
- 5. You have 40 minutes for this paper.**
- 6. You must get 25 or more correct to pass.**

***Candidate Number:* .....**

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MoP-ExamPaper-1-GBP210FSample1-110127SamplePaper1

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1 Identify the missing word in the following sentence.

A [ ? ] is the totality of an organization's investment (or segment thereof) in the changes required to achieve its strategic objectives.

- a) Project
- b) Programme
- c) Portfolio
- d) Strategy

2 What is portfolio definition in the context of MoP?

- a) A cycle
- b) A practice
- c) A principle
- d) A technique

3 Which is a portfolio definition practice?

- a) Benefits management
- b) Evolution
- c) Decision-conferencing
- d) Categorize

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- 4 Which is a portfolio delivery practice?
- a) Prioritize
  - b) Management by exception
  - c) Stakeholder engagement
  - d) Strategy alignment
- 5 How does portfolio management achieve the most effective balance of organizational change and BAU?
- a) By ensuring the portfolio includes all business change initiatives
  - b) By undertaking periodic reviews at portfolio and initiative level to assess performance and strategic contribution
  - c) By delivering outputs as specified in the business case on time and to the specified cost and quality
  - d) By directing delivery of a number of projects to realize benefits that contribute to strategic objectives
- 6 Which circumstances affect how organizations adapt the MoP principles and practices?
- 1. Culture and governance structure
  - 2. Maturity in project and programme management
  - 3. Experience in the use of relevant IT solutions
  - 4. Existing strategic planning, financial and risk management processes
- a) 1, 2, 3
  - b) 1, 2, 4
  - c) 1, 3, 4
  - d) 2, 3, 4

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- 7 Which is a benefit of portfolio management?
- a) To merge two programmes that are seeking to achieve the same strategic objectives
  - b) To reduce the number of programmes and projects across the organization
  - c) To identify the resources being used on programmes and projects across the organization
  - d) To create a list of the organization's programmes and projects
- 8 Which is one of the three broad approaches to implementing portfolio management?
- a) Definition
  - b) Champion-challenger
  - c) Evolution
  - d) Staged release of funding
- 9 Which is a benefit of assessing the impact of portfolio management?
- a) It removes redundant and duplicate programmes and projects
  - b) It helps in the on-going development of more effective portfolio management practices
  - c) It ensures variances from plan that exceed a pre-set control limit are escalated for action
  - d) It clearly identifies and manages the benefits being realized from the portfolio

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- 10 In which circumstance would the 'big bang' approach to implementing portfolio management be appropriate?
- a) In a stable marketplace where strategy evolves as the organization explores new approaches
  - b) In a stable marketplace where strategy is formulated by the senior management team
  - c) In a less stable marketplace where strategy is formulated by the senior management team
  - d) In a less stable marketplace where strategy evolves as the organization explores new approaches
- 11 How is progress sustained in the implementation of portfolio management?
- a) Build on existing practices rather than introducing completely new processes
  - b) Adopt a 'big bang' approach rather than an incremental or staged approach
  - c) Communicate with stakeholders at key points in time rather than having on-going stakeholder engagement
  - d) Ensure practices are adhered to rather than opening them up to challenge and improvement
- 12 Which are appropriate approaches to assessing portfolio management maturity?
- a) Both the P3M3™ model and 'champion-challenger' model
  - b) Both the Portfolio management health check assessment and 'champion-challenger' model
  - c) Both the Portfolio management health check assessment and the P3M3 model
  - d) The Portfolio management health check assessment, 'champion-challenger' model, and P3M3 model

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- 13 Which is one of the six primary functions that portfolio management needs to coordinate with to achieve strategic objectives?
- a) Performance management
  - b) Information technology
  - c) Benefits management
  - d) Human relations
- 14 Which describes the relationship between business as usual and portfolio management?
- a) Maintain the Business, Maintain the Portfolio
  - b) Maintain the Business, Change the Business
  - c) Run the Business, Change the Business
  - d) Run the Business, Run the Portfolio
- 15 Which is provided by strategic planning, in terms of its relationship with portfolio management?
- a) Information on the contribution being made by programme and projects
  - b) Momentum and energy for strategy development
  - c) Suggested changes to strategy based on achievement of unplanned benefits
  - d) The context within which portfolio management operates

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- 16 Which statement describes how portfolio management coordinates with resource allocation and budgeting to deliver strategic objectives?
- a) Strategy maintains the link between portfolio management and resource allocation
  - b) Resource allocation maintains the link between strategy and portfolio management
  - c) Portfolio management maintains the link between strategy and resource allocation
  - d) None of the above
- 17 The role of programme and project management in terms of delivering strategic objectives within a portfolio management environment is to provide mechanisms for which of the following?"
- a) management of limited resources
  - b) overall risk management
  - c) delivering change initiatives
  - d) dependency management
- 18 Which is **NOT** a way in which portfolio management should align with the performance management system?
- a) Make appropriate use of existing performance management expertise to design and implement new portfolio key performance indicators
  - b) Align performance and portfolio reporting appropriately, in terms of timing and content
  - c) Make appropriate use of the existing management information system in designing portfolio reports
  - d) Develop delivery capability organisation-wide, via fit-for-purpose standards, processes and staff development

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- 19 Which is **NOT** a way that portfolio management supports effective corporate governance?
- a) Provides clarity on progress against the Portfolio Delivery Plan
  - b) Clarifies responsibility and accountability for making decisions on which programmes and projects will be funded
  - c) Dictates the use of MSP and PRINCE2 for the management of programmes and projects
  - d) Provides an audit trail demonstrating the rationale behind investment decisions
- 20 Which of the following are portfolio management principles?
- 1. Senior management commitment
  - 2. Portfolio definition
  - 3. Strategy alignment
  - 4. Energized change culture
- a) 1, 2, 3
  - b) 1, 2, 4
  - c) 1, 3, 4
  - d) 2, 3, 4
- 21 Which is an example of how senior managers should support portfolio management?
- a) Explain the reasons for decisions to staff members
  - b) Delegate portfolio management decision-making to selected experts
  - c) Ensure that changes which affect their departments are not stopped
  - d) Contribute their expertise exclusively within their own department



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- 22 Which is a 'key to success' of the portfolio management principle: governance alignment?
- a) Multi-criteria analysis is used to augment net present value
  - b) New ways of working are reflected in reward and recognition structures
  - c) There is an agreed escalation path for sub-portfolios to report exceptions
  - d) Benefits are clearly identified in a business case
- 23 Where measures of strategic success have not been clearly defined, which is a suggested technique to align the portfolio with strategy?
- a) Split the available funding across the portfolio to reflect the estimated time to deliver each initiative
  - b) Senior management makes a decision based on their personal interest in each initiative
  - c) Prioritize initiatives using financial metrics such as net present value
  - d) Weight the strategic objectives and rate the contribution of initiatives
- 24 Which is a characteristic of a Portfolio Office?
- a) It is concerned with detailed delivery of change initiatives
  - b) It is a permanent structure independent of the management board
  - c) It provides an assurance on efficient and effective delivery of initiatives
  - d) It is a temporary structure in place until strategic objectives are met

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- 25 Which of the following are sources of organizational energy within an organization?
1. Connection
  2. Context
  3. Climate
  4. Culture
- a) 1, 2, 3
  - b) 1, 2, 4
  - c) 1, 3, 4
  - d) 2, 3, 4
- 26 What is the purpose of the portfolio definition cycle?
- a) To collate key information that will provide clarity to senior management on the collection of change initiatives that will deliver the greatest contribution to the strategic objectives, subject to consideration of risk/achievability, resource constraints and cost/affordability
  - b) To ensure the successful implementation of the planned change initiatives as agreed in the Portfolio Strategy and Delivery Plan, whilst also ensuring the portfolio adapts to changes in the strategic objectives, project and programme delivery, and lessons learned
  - c) To ensure clarity about what decisions are made, where, by whom, and what criteria are used in making these decisions
  - d) To coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives
- 27 Which portfolio definition practice organizes change initiatives into groups, segments or sub-portfolios to make it easier for senior decision-makers to understand the make up of their portfolio?
- a) Prioritize
  - b) Plan
  - c) Categorize
  - d) Balance

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28 What is a result of the portfolio definition cycle being managed well?

- a) Everything is planned in detail at a portfolio level
- b) Decision-makers can focus on high-level scope, costs, benefits and risks
- c) Managers will start their own change initiatives
- d) Improved delivery on time and to budget

29 Identify the missing words in the following sentence.

Weighted value score [ ? ] the initiative's cost can provide a relative value for money index.

- a) added to
- b) subtracted from
- c) multiplied by
- d) divided by

30 Which is **NOT** one of the 'keys to success' of the understand practice?

- a) Identification of all relevant initiatives by the Portfolio Office and strategic planners
- b) Validation of data and the building of effective working relationships with PPM professionals
- c) Involving relevant stakeholders in the prioritization of initiatives
- d) Collection of a consistent set of data to aid subsequent categorization and prioritization

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- 31 Which statement about the categorize practice is true?
- a) Each organization should adopt an industry-specific list of categories, to be used for all types of initiative
  - b) For clarity, categorization information is best presented as a numbered list
  - c) The amount of resource spent on a category should have no bearing on its relative priority
  - d) Investment criteria used to prioritize initiatives should be tailored to suit each portfolio category
- 32 Which statement about the prioritize practice is true?
- a) A segmented portfolio should consider the need for different criteria to prioritize initiatives in each segment
  - b) Prioritization of initiatives should always be supported by financial metrics
  - c) Prioritization of initiatives should be done before considering the amount of risk involved
  - d) A mandatory requirement should be top priority, regardless of cost
- 33 Which statement about the balance practice is true?
- a) Initiatives already underway should be allowed to continue
  - b) Decisions must be made within the constraint of an organization's existing available resource
  - c) Detailed decisions on balancing can be only be made when initiatives have been prioritized
  - d) The Portfolio Office makes the decisions and presents the results to senior management

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- 34 Which is an objective of the Portfolio Strategy and Delivery Plan?
- a) To promote discussion among stakeholders to define the scope of the portfolio
  - b) To convert the approved portfolio into a plan, with clear milestones and a resource schedule
  - c) To provide an overview of the portfolio separate from the strategic planning cycle
  - d) To motivate people to define their own individual and departmental goals
- 35 What is the purpose of the portfolio delivery cycle?
- a) To collate key information which will provide clarity to senior management on the collection of change initiatives that will deliver the greatest contribution to the strategic objectives
  - b) To ensure the successful implementation of the planned change initiatives as agreed in the Portfolio Strategy and Delivery Plan
  - c) To provide timely and accurate information to facilitate management decision-making
  - d) To co-ordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives
- 36 The purpose of which practice is to ensure portfolio delivery stays on track and that the portfolio remains strategically aligned?
- a) Financial management
  - b) Benefits management
  - c) Management control
  - d) Organizational governance

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- 37 Which is a result of an effectively managed portfolio delivery cycle?
- a) There is clarity on the high level scope of potential change initiatives
  - b) Initiatives will not be delivered on time and to budget
  - c) Resources, risks and dependencies will be efficiently and effectively managed
  - d) Change initiatives are planned in detail
- 38 Identify the missing words in the following description of the 'management by exception' technique.
- Variances in excess of the [?] are referred to the portfolio governance body.
- a) business case
  - b) control limits
  - c) strategic objectives
  - d) escalation procedures
- 39 Which is a 'key to success' of the management control practice?
- a) Regular stage / phase gates at significant points in the programme or project lifecycle
  - b) Consistent rules on the classification, valuation and validation of benefits
  - c) Clearly defined governance structures, processes, escalation routes and role descriptions
  - d) Monitoring the overall level of risk exposure

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- 40 Which is a 'key to success' of the benefits management practice?
- a) Portfolio-wide standards for resource forecasting are prepared to guide programme planners
  - b) Forecasting is based on evidence from post-implementation reviews
  - c) Generic risks from inaccurate forecasting are identified
  - d) Spend against the Financial Plan is included in the Portfolio Dashboard Report
- 41 Which of the following are elements in the financial management practice?
- 1. Role profiles are prepared for key portfolio positions
  - 2. Control limits for reporting variances from plan
  - 3. Rules for constructing cost forecasts in business cases
  - 4. Rules for valuing efficiency savings and other benefits
- a) 1, 2, 3
  - b) 1, 2, 4
  - c) 1, 3, 4
  - d) 2, 3, 4
- 42 Which is a 'key to success' of the risk management practice?
- a) Dynamic resource management
  - b) Alignment of portfolio and financial reporting cycles
  - c) Consideration of achievability and attractiveness during portfolio prioritization
  - d) Use of contemporary communications

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- 43 Which is **NOT** a main element of portfolio-level stakeholder engagement in the portfolio delivery cycle?
- a) The Portfolio Office and the organization's communications experts working collaboratively
  - b) Portfolio communications being visibly and proactively supported by management board members
  - c) Adoption of the 'champion-challenger' model for process improvement from all stakeholders
  - d) Consideration of risk being incorporated into the business change lifecycle
- 44 Which is a main element of the organizational governance practice?
- a) Specific consideration being given to effective dependency management
  - b) Defining escalation paths where performance deviates from a set limit
  - c) Providing clear rules on compiling cost forecasts in business cases
  - d) Matching demand and supply for constrained resources
- 45 Which is **NOT** a main element of the resource management practice?
- a) Linking the commitment of financial resources to confidence in the reliability of forecasts
  - b) Understanding the types and timing of current and future demand for resources
  - c) Taking corrective action where resource shortages are forecast to occur
  - d) Recording current availability, skills and experience of key staff in a portfolio skills register



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- 46 A workshop organized by the Portfolio Office to raise awareness of the scope of the portfolio is a solution to which dependency management challenge?
- a) Information on dependencies not being readily available
  - b) Presenting complex information in an easily understandable form
  - c) Assessing which are the most important dependencies
  - d) Documenting and managing dependencies
- 47 What role coordinates the effective and efficient operation of the portfolio management practices?
- a) Business Change Director
  - b) Portfolio Benefits Manager
  - c) Portfolio Manager
  - d) Portfolio Progress Group
- 48 What portfolio document provides the baseline against which progress will be monitored via the Portfolio Dashboard?
- a) Portfolio Management Framework
  - b) Portfolio Strategy
  - c) Portfolio Delivery Plan
  - d) Portfolio Benefits Management Framework

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- 49 Which is a responsibility of the Portfolio Manager?
- a) Assures effectiveness of benefits management practices
  - b) Works to resolve constraints in the portfolio
  - c) Approves changes to the practices within the portfolio definition cycle
  - d) Approves communications on portfolio progress
- 50 Which of the following is contained in the Portfolio Delivery Plan?
- a) Portfolio governance arrangements
  - b) Description of the key stakeholder groups analyzed by interest and influence
  - c) Current status on key risks and issues
  - d) Benefits to be realized in the year ahead



# MoP Foundation Examination

**Week ending :**

**For Exam Paper :** GBP210FSample1-110127SamplePaper1

Q	Ans	Syllabus Topic	Section	Q	Ans	Syllabus Topic	Section	Q	Ans	Syllabus Topic	Section
1	C	OV0101.1	2.3	31	D	DF02.4	6.3.2				
2	A	OV0101.2	2.4	32	A	DF02.5	6.4				
3	D	OV0101.3	2.4.2	33	C	DF02.6	6.5.2-3				
4	C	OV0101.4	2.4.2	34	B	DF02.7	6.6.2				
5	B	OV0102.1	2.3	35	B	DL01.1	5.7.1				
6	B	OV0102.2	2.2	36	C	DL01.2	7.2.1-7.8.1				
7	A	OV0102.3	2.2 and 2.5	37	C	DL02.1	5.7.2				
8	C	IS01.1	5.3	38	B	DL02.2	7.2.2.3				
9	B	IS01.2	Appendix 6	39	A	DL02.3	Table 7.2				
10	B	IS02.1	5.3	40	B	DL02.4	7.3.2				
11	A	IS02.2	5.4	41	D	DL02.5	7.4.2				
12	C	IS02.3	7.2.2.5, Appendix 6	42	C	DL02.6	Table 7.7				
13	A	SO01.1	3.1	43	D	DL02.7	7.6.2-4				
14	C	SO02.1	3.2	44	B	DL02.8	7.7.2				
15	D	SO02.2	3.3	45	A	DL02.9	7.8.2				
16	C	SO02.3	3.4	46	A	DL02.10	Table 7.6				
17	C	SO02.4	3.5	47	C	RD01.1	Appendix 2				
18	D	SO02.5	1.2	48	C	RD01.2	Appendix 5				
19	C	SO02.6	3.7	49	B	RD02.1	Appendix 2				
20	C	PP01.1	4.2	50	D	RD02.2	Appendix 5				
21	A	PP02.1	4.3								
22	C	PP02.2	4.4								
23	D	PP02.3	4.5								
24	C	PP02.4	4.6								
25	A	PP02.5	4.7,5.5								
26	A	DF01.1	5.6.1								
27	C	DF01.2	6.2.1-6.6.1								
28	B	DF02.1	5.6.2-3								
29	D	DF02.2	4.5								
30	C	DF02.3	6.2.2								

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## **The Foundation Examination**

### ***Rationale***

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1 OV0101.1 - Overview

C

LL1 - Recall the definitions of portfolio and portfolio management.

- a) Incorrect - a project is a temporary organization, usually existing for a much shorter time, which will deliver one or more outputs in accordance with a specific business case. Ref 2.3
- b) Incorrect - a programme is a temporary, flexible organization created to co-ordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives. Ref 2.3
- c) Correct - this is the definition of a portfolio. Ref 2.3
- d) Incorrect - strategy is the approach taken, or line to take, to achieve a long-term aim. Ref Glossary

2 OV0101.2 - Overview

A

LL1 - Recall the portfolio management model and the relationship between the principles, cycles, practices and relevant techniques.

- a) Correct - the portfolio definition cycle is one of the two portfolio management cycles in MoP. Ref 2.4.2
- b) Incorrect - the portfolio definition and delivery cycles contain 12 practices. Ref 2.4.2
- c) Incorrect - the principles provide the context within which the portfolio definition and delivery cycles, and their constituent practices, operate. Ref 2.4.1
- d) Incorrect - techniques relate to the ways in which the portfolio definition and delivery practices can be applied. Ref 2.4.2

3 OV0101.3 - Overview

D

LL1 - Recall the names of the portfolio definition practices.

- a) Incorrect - this is a portfolio delivery practice. Ref. 2.4.2
- b) Incorrect - this is one of the three broad approaches to implementation of portfolio management. Ref 5.3
- c) Incorrect - this is a technique to facilitate effective portfolio prioritization. Ref 6.4
- d) Correct - categorize is one of the 5 portfolio definition practices. Ref 2.4.2

4 OV0101.4 - Overview

C

LL1 - Recall the names of the portfolio delivery practices.

- a) Incorrect - this is a portfolio definition practice. Ref. 2.4.2
- b) Incorrect - this is a technique to facilitate effective portfolio reporting. Ref 7.2
- c) Correct - stakeholder engagement is one of the 7 portfolio delivery practices. Ref 2.4.2
- d) Incorrect - this is a portfolio management principle. Ref 2.4.1

5 OV0102.1 - Overview

B

LL2 - The scope of portfolios and portfolio management and the differences from projects/project management and programmes/programme management

- a) Incorrect - the portfolio does not include all business change, rather the focus is on change initiatives that are delivered via formalized ppm methods. Ref 2.3
- b) Correct - the way portfolio management achieves the most effective balance of organizational change and BAU includes regular review in terms of progress, cost, risk, benefits and strategic contribution. Ref 2.3
- c) Incorrect - This is within the scope of a project and project management. Ref 2.3
- d) Incorrect - Incorrect. This is the responsibility of programme management.. Ref 2.3

6 OV0102.2 - Overview

B

LL2 - Identify the circumstances that will affect how the MoP principles and practices will be adapted.

- a) Incorrect - use of IT solutions is not a requirement for portfolio management. Ref 2.2
- b) Correct - the principles and practices need to be tailored to reflect local circumstances, of which all of these are examples. Ref 2.2
- c) Incorrect - use of IT solutions is not a requirement for portfolio management. Ref 2.2
- d) Incorrect - use of IT solutions is not a requirement for portfolio management. Ref 2.2

7 OV0102.3 - Overview

A

LL2 - Identify the benefits of portfolio management.

- a) Correct - this relates to the removal of duplicate projects, which is a benefit of portfolio management. Ref 2.5
- b) Incorrect - this would only be a benefit if the remaining programmes and projects are the 'right' ones. Ref 2.5
- c) Incorrect - this would only be a benefit if it resulted in the resources being used more efficiently or effectively. Ref 2.5
- d) Incorrect - this would only be a benefit if it resulted in the removal of duplicate, non-strategically aligned, or poorly-performing initiatives. Ref 2.2 and 2.5

8 IS01.1 - Implement, sustain and measure

C

LL1 - Recall the three broad approaches to implementing portfolio management.

- a) Incorrect - portfolio definition is one of the two portfolio management cycles. Ref 2.4.2
- b) Incorrect - the champion-challenger model is a technique for engaging stakeholders in the development and maintenance of portfolio management practices. Ref.7.2, 7.6
- c) Correct - evolution is one of the three broad approaches to implementing portfolio management. Ref. 5.3
- d) Incorrect - staged release of funding is a portfolio delivery technique. Ref. 7.2

9 IS01.2 - Implement, sustain and measure

B

LL1 - Recall the benefits of assessing the impact of portfolio management.

- a) Incorrect - this is a benefit of portfolio management not of measuring its impact. Ref 2.5
- b) Correct - this is a benefit of assessing the impact of portfolio management. Ref. Appendix 6
- c) Incorrect - this is the technique of management by exception. Ref 7.2.3
- d) Incorrect - this is the purpose of the benefits management practice. Ref 7.3.1



10 IS02.1 - Implement, sustain and measure

B

LL2 - Identify when each approach to implementation of portfolio management is most relevant.

- a) Incorrect - the “big bang” approach is most appropriate where top-down approaches to strategy formulation are applied. Ref 5.3
- b) Correct - the “big bang” approach is most appropriate where the environment is relatively stable and where top-down approaches to strategy formulation are applied. Ref 5.3
- c) Incorrect - the “big bang” approach is most appropriate where the environment is relatively stable. Ref 5.3
- d) Incorrect - the “big bang” approach is most appropriate where the environment is relatively stable and where top-down approaches to strategy formulation are applied. Ref 5.3

11 IS02.2 - Implement, sustain and measure

A

LL2 - Identify the factors to consider in sustaining progress.

- a) Correct - it is better to build on existing practices. Ref 5.4
- b) Incorrect - it is better to follow an incremental or staged approach. Ref 5.4
- c) Incorrect - it is better to have on-going stakeholder engagement. Ref 5.4
- d) Incorrect - in addition to ensuring compliance it is also necessary to open processes up to challenge and improvement. Ref 5.4

12 IS02.3 - Implement, sustain and measure

C

LL2 - Identify approaches to assessing portfolio management maturity and the impact of portfolio management.

- a) Incorrect - the champion-challenger model is a way of engaging stakeholders in the development of Portfolio Management rather than a means to assess maturity. Ref 7.6.2
- b) Incorrect - the champion-challenger model is a way of engaging stakeholders in the development of Portfolio Management rather than a means to assess maturity. Ref 7.6.2
- c) Correct - both the portfolio management health check assessment and the P3M3™ model can be used to assess portfolio management maturity. Ref Appendix 1 and 6
- d) Incorrect - the champion-challenger model is a way of engaging stakeholders in the development of Portfolio Management rather than a means to assess maturity. Ref 7.6.2

13 SO01.1 - Strategic & Organizational Context

A

LL1 - Recall the 6 key functions/activities that portfolio management needs to coordinate with to achieve strategic objectives.

- a) Correct - Ref 3.6
- b) Incorrect - this is one of the other corporate functions/activities that portfolio management needs to coordinate with. Ref. 3.8
- c) Incorrect - this is one of the portfolio delivery practices. Ref. 7.3
- d) Incorrect - this is one of the other corporate functions/activities that portfolio management needs to coordinate with. Ref. 3.8

14 SO02.1 - Strategic & Organizational Context

C

LL2 - Identify how portfolio management and Business As Usual coordinate to deliver strategic objectives.

- a) Incorrect - the relationship between portfolio management and Business As Usual is represented as a simple concept of 'Run the Business, Change the Business'. Ref. 3.2
- b) Incorrect - the relationship between portfolio management and Business As Usual is represented as a simple concept of 'Run the Business, Change the Business'. Ref. 3.2
- c) Correct - the relationship between portfolio management and Business As Usual is represented as a simple concept of 'Run the Business, Change the Business'. Ref. 3.2
- d) Incorrect - the relationship between portfolio management and Business As Usual is represented as a simple concept of 'Run the Business, Change the Business'. Ref. 3.2

15 SO02.2 - Strategic & Organizational Context

D

LL2 - Identify how portfolio management and strategic planning coordinate to deliver strategic objectives.

- a) Incorrect - this is provided by portfolio management. Ref 3.3
- b) Incorrect - this is provided by portfolio management. Ref 3.3
- c) Incorrect - this is provided by portfolio management. Ref 3.3
- d) Correct - this is provided by strategic planning. Ref 3.3

16 SO02.3 - Strategic & Organizational Context

C

LL2 - Identify how portfolio management and resource allocation and budgeting coordinate to deliver strategic objectives.

- a) Incorrect - portfolio management maintains the link between strategy and resource allocation. Ref 3.4
- b) Incorrect - portfolio management maintains the link between strategy and resource allocation. Ref 3.4
- c) Correct - portfolio management maintains the link between strategy and resource allocation. Ref 3.4
- d) Incorrect - portfolio management maintains the link between strategy and resource allocation. Ref 3.4

17 SO02.4 - Strategic & Organizational Context

C

Identify how portfolio management and project and programme management can coordinate to deliver strategic objectives.

- a) Incorrect - this is a role for portfolio management. Ref 3.5
- b) Incorrect - this is a role for portfolio management. Ref 3.5
- c) Correct - this is the role for programme and project management. Ref 3.5
- d) Incorrect - this is a role for portfolio management. Ref 3.5

18 SO02.5 - Strategic & Organizational Context

D

LL2 - Identify how portfolio management and performance management coordinate to deliver strategic objectives

- a) Incorrect - this is a way in which portfolio management should align with the performance management system. Ref 3.6
- b) Incorrect - this is a way in which portfolio management should align with the performance management system. Ref 3.6
- c) Incorrect - this is a way in which portfolio management should align with the performance management system. Ref 3.6
- d) Correct - this is one of the ways in which portfolio management can coordinate with project and programme management in the delivery of strategic objectives. Ref 3.5

19 SO02.6 - Strategic & Organizational Context

C

LL2 - Identify how portfolio management supports effective corporate governance.

- a) Incorrect - by providing clarity of progress, portfolio management contributes to monitoring and control systems. Ref 3.7
- b) Incorrect - by clarifying responsibilities and accountabilities, portfolio management contributes to effective management systems. Ref 3.7
- c) Correct - whilst portfolio management should provide a framework for consistently managing the delivery of the portfolio, this does not necessarily mean the use of MSP and/or PRINCE2. Ref 3.7
- d) Incorrect - by providing an audit trail, portfolio management contributes to effective management systems. Ref 3.7

20 PP01.1 - Portfolio Management Principles

C

LL1 - Recall the names of the 5 principles upon which effective portfolio management is based.

- a) Incorrect - portfolio definition is one of the two portfolio management cycles. Ref. 2.4.2
- b) Incorrect - portfolio definition is one of the two portfolio management cycles. Ref. 2.4.2
- c) Correct - senior management commitment, strategy alignment and energized change culture are 3 of the 5 principles that underpin effective portfolio management. Ref 2.4.1, 4.2
- d) Incorrect - portfolio definition is one of the two portfolio management cycles. Ref. 2.4.2

21 PP02.1 - Portfolio Management Principles

A

LL2 - Identify the keys to success in relation to principle 1 senior management commitment and, specifically, the ways in which senior managers should support portfolio management.

- a) Correct - explaining the rationale for decisions to their staff is a way in which senior managers should support portfolio management. Ref 4.3
- b) Incorrect - senior managers should have personal, active and positive participation in portfolio management decision-making. Ref 4.3
- c) Incorrect - senior managers should take a portfolio-wide, rather than a departmental, perspective. Ref 4.3
- d) Incorrect - senior managers should contribute their expertise to the development of portfolio management across the organization. Ref 4.3

22 PP02.2 - Portfolio Management Principles

C

LL2 - Identify the keys to success in relation to principle 2 governance alignment, and issues to consider in an effective portfolio governance structure.

- a) Incorrect - MCA and NPV are used to inform portfolio prioritization. Ref 4.3
- b) Incorrect - alignment with reward and recognition strategies is a key to success for the senior management commitment principle. Ref 4.3
- c) Correct - agreed escalation paths from ppg/change delivery committee to the pdg/investment committee and an agreed escalation process for sub-portfolios to report exceptions to organization-level portfolio governance bodies are keys to success for the governance alignment principle. Ref 4.4
- d) Incorrect - benefits and strategic contribution of each change initiative should be defined in a business case but this is a key to success of the strategy alignment principle. Ref. 4.5

23 PP02.3 - Portfolio Management Principles

D

LL2 – Identify the keys to success in relation to principle 3 strategy alignment and, specifically, how strategic alignment can be achieved even where strategic measures are not clearly defined.

- a) Incorrect - a suggested technique is portfolio segmentation, i.e. splitting the total available funding into segments to reflect high-level strategic choices then prioritizing initiatives in each segment on the basis of criteria relevant to that segment. Ref 4.5.1
- b) Incorrect - decision-conferencing, where senior managers come to a collective decision on the composition of the portfolio, is a suggested technique. Ref. 4.5.1
- c) Incorrect - Net Present Value is a technique used in investment appraisal and portfolio prioritization but does not provide a means to ensure strategic alignment where strategic objectives are non-financial. Ref. 6.4.2
- d) Correct - Weighting and rating systems, e.g. rating the strategic contribution of an initiative as, for example, mission critical, highly desirable or desirable, is a suggested technique. Ref. 4.5.1

24 PP02.4 - Portfolio Management Principles

C

LL2 – Identify the key services a portfolio office provides and, specifically, how it differs from a programme or project office.

- a) Incorrect - project and programme offices are concerned with coordinating the detailed delivery of individual change initiatives. Ref 2.3
- b) Incorrect - a portfolio office should ideally have direct contact with, and report to, the management board. Ref Table 4.4
- c) Correct - the portfolio office provides an assurance to senior management on efficient and effective delivery of initiatives. Ref. 4.6
- d) Incorrect - a portfolio office is usually permanent and integrated into the organizational governance structure. Ref. 2.3

25 PP02.5 - Portfolio Management Principles

A

LL2 – Identify the keys to success in relation to principle 5 an energized change culture and, specifically, sources of organizational energy.

- a) Correct - Connection, Context and Climate are all suggested sources of organizational energy. Ref 5.5
- b) Incorrect - Connection and Context are suggested sources of organizational energy, but Culture is not. Ref. 5.5
- c) Incorrect - Connection and Climate are suggested sources of organizational energy, but Culture is not. Ref. 5.5
- d) Incorrect - Context and Climate are suggested sources of organizational energy, but Culture is not. Ref. 5.5

26 DF01.1 - Portfolio Definition Cycle

A

LL1 - Recall the purpose of the portfolio definition cycle and it's key output.

- a) Correct – this is the purpose of the portfolio definition cycle. Ref 5.6.1
- b) Incorrect - this is the purpose of the portfolio delivery cycle. Ref 5.7.1
- c) Incorrect - this is the purpose of the organizational governance practice. Ref 7.7
- d) Incorrect - this is the definition of a programme. Ref. 2.3

27 DF01.2 - Portfolio Definition Cycle

C

LL1 - Recall the purposes of the portfolio definition practices.

- a) Incorrect - the purpose of the prioritize practice is to help senior management and the portfolio governance body decide which initiatives it should invest in, subject to consideration of an appropriate balance between risk and return. Ref 6.4.1
- b) Incorrect - the purpose of the plan practice is to collate information from the portfolio definition cycle and create a portfolio strategy & delivery plan which will be approved by the portfolio direction group/investment committee. Ref. 6.6.1
- c) Correct - the purpose of the categorize practice is to make it easier for senior decision-makers to understand the make-up their portfolio, and thus to make decisions on balance and on the optimum use of available funding and other resources. Ref 6.3.1
- d) Incorrect - the purpose of the balance practice is to ensure that the portfolio is balanced in terms of factors such as: timing; coverage of all strategic objectives; impact across the business; stage of initiative development; overall risk:return profile; and available resources. Ref 6.5.1

28 DF02.1 - Portfolio Definition Cycle

B

LL2 – Identify the results of a well functioning portfolio definition cycle and the implications where this is not the case.

- a) Incorrect - defining the portfolio does not mean that everything in the portfolio must be planned in detail; this should be done by programme or project management. Ref 5.6.2
- b) Correct - the overriding benefit of the portfolio definition cycle is its focus on providing clarity on high level scope, costs, benefits, risks and other factors which enable informed decision-making. Ref 5.6.2
- c) Incorrect - if the portfolio definition cycle is NOT managed well, there is a risk that managers will start their own pet projects. Ref 5.6.3
- d) Incorrect - improved delivery on time and to budget is a result of the portfolio delivery cycle being managed well. 5.7.2

29 DF02.2 - Portfolio Definition Cycle

D

LL2 - Identify the technique, key features and uses, of driver-based strategic contribution analysis.

- a) Incorrect - value score should be divided by the cost to provide a relative value for money index. Ref. 4.5
- b) Incorrect - value score should be divided by the cost to provide a relative value for money index. Ref. 4.5
- c) Incorrect - value score should be divided by the cost to provide a relative value for money index. Ref. 4.5
- d) Correct - value score should be divided by the cost to provide a relative value for money index. Ref. 4.5

30 DF02.3 - Portfolio Definition Cycle

C

LL2 - Identify the keys to success in the understand practice.

- a) Incorrect - the portfolio office and the strategic planning function working together to ensure that all initiatives relevant to the strategic objectives are identified is one of the keys to success of the understand practice. Ref. 6.2.2.
- b) Incorrect - developing effective relationships with PPM professionals is one of the keys to success of the understand practice. Ref. 6.2.2.
- c) Correct - this is not one of the keys to success of the understand practice. Ref. 6.2.2. Determining the priorities of initiatives is part of prioritize practice. Ref. 6.3.
- d) Incorrect - a standard template can help ensure a consistent set of data is collected on all initiatives – and this aids categorization and prioritization in due course. This is one of the keys to success of the understand practice. Ref. 6.2.2.

31 DF02.4 - Portfolio Definition Cycle

D

LL2 - Identify what is involved and the keys to success in the categorize practice.

- a) Incorrect - one of the keys to success in the categorize practice is that categories should suit the circumstances, reflecting strategic objectives and the type of initiative. Ref. 6.3
- b) Incorrect - one of the keys to success in the categorize practice is to be creative in presentation format, and a graphical presentation can help. Ref 6.3
- c) Incorrect - one of the keys to success in the categorize practice is to use categorization to assess strategic alignment, and data on spend by category provides a check that resource allocation reflects relative strategic priorities. Ref. 6.3
- d) Correct - tailoring the investment criteria is one of the keys to success in the categorize practice. Ref. 6.3

32 DF02.5 - Portfolio Definition Cycle

A

LL2 - Identify what is involved and the keys to success in the prioritize practice.

- a) Correct - the criteria used to prioritize initiatives should be tailored to suit the particular portfolio segments. Ref 6.4.1
- b) Incorrect - many organizations will use financial metrics, but these are of limited use where the immediate benefits of the initiative are not financial in nature. Ref. 6.4.2
- c) Incorrect - prioritization information helps senior management and the portfolio governance body to prioritize initiatives subject to consideration of an appropriate balance between risk and return. Ref. 6.4.1
- d) Incorrect - there should be adequate review to ensure the requirement is indeed mandatory and that the planned response is cost-effective. Ref. 6.4.2

33 DF02.6 - Portfolio Definition Cycle

C

LL2 - Identify what is involved and the keys to success in the balance practice.

- a) Incorrect - current initiatives may be cancelled where appropriate, where this is not limited by existing contractual commitments. Ref 6.5.2
- b) Incorrect - one of the balancing factors is to match supply and demand for constrained resources or to arrange to acquire additional resources. Ref. 6.5.2
- c) Correct - it is only when the collection of proposed change initiatives have been prioritized that detailed balancing decisions can be made. Ref. 6.5.2
- d) Incorrect - the portfolio office collaborates with colleagues, including operational management, to recommend the most appropriate portfolio for senior management consideration and approval. Ref. 6.5.2



34 DF02.7 - Portfolio Definition Cycle

B

LL2 - Identify what is involved in the plan practice.

- a) Incorrect - an objective is to provide clarity to all stakeholders with regard to the scope and content of the portfolio. Ref. 6.6.2
- b) Correct - an objective is to convert the balanced portfolio approved by the relevant portfolio governance body into a plan with clear milestones and a resource schedule. Ref. 6.6.2
- c) Incorrect - an objective is to provide an overview, linked to the strategic planning cycle. Ref. 6.6.2
- d) Incorrect - an objective is to motivate people to commit to the delivery of shared goals. Ref. 6.6.2

35 DL01.1 - Portfolio Delivery Cycle

B

LL1 - Recall the purpose of the portfolio delivery cycle.

- a) Incorrect - this is the purpose of the portfolio definition cycle. Ref. 5.6.1
- b) Correct - this is the purpose of the portfolio delivery cycle. Ref 5.7.1
- c) Incorrect - this is a purpose of the portfolio office. Ref. 4.6
- d) Incorrect - this definition relates to a programme. Ref. 2.3

36 DL01.2 - Portfolio Delivery Cycle

C

LL1 - Recall the purposes of the portfolio delivery practices.

- a) Incorrect - the purpose of the financial management practice is to ensure that the portfolio management processes and decisions are aligned to the financial management cycle, and that financial considerations form a key element in all decisions regarding the commencement and ongoing viability of change initiatives. Ref 7.4.1
- b) Incorrect - the purpose of the benefits management practice is to clearly identify and manage the benefits being realized from the portfolio, so helping to ensure best use of available resources and that the contribution to operational performance and strategic objectives is maximised. Ref 7.3.1
- c) Correct - this is the purpose of the management control practice. Ref. 7.2.1
- d) Incorrect - the purpose of the organizational governance practice is to ensure clarity about what decisions are made, where, when, and what criteria are used. Ref 7.7.1

37 DL02.1 - Portfolio Delivery Cycle

C

LL2 - Identify the results of a well- functioning portfolio delivery cycle.

- a) Incorrect - providing clarity on high level scope of potential change initiatives is a result of carrying out the portfolio definition cycle well. Ref 5.6.1
- b) Incorrect - initiatives not being delivered on time and to budget is a result of the portfolio delivery cycle not being managed well. Ref 5.7.3
- c) Correct - this is one of the results of an effectively managed portfolio delivery cycle. Ref 5.7.2
- d) Incorrect - detailed initiative planning is a part of project and programme management. Ref 2.6

38 DL02.2 - Portfolio Delivery Cycle

B

LL2 - Identify the technique of management by exception.

- a) Incorrect - under management by exception, escalation is linked to control limits for spend, schedule and benefits beyond which variances from plan are referred to the portfolio governance body. Ref 7.2.2.1
- b) Correct - under management by exception, escalation is linked to control limits for spend, schedule and benefits beyond which variances from plan are referred to the portfolio governance body. Ref 7.2.2.1
- c) Incorrect - under management by exception, escalation is linked to control limits for spend, schedule and benefits beyond which variances from plan are referred to the portfolio governance body. Ref 7.2.2.1
- d) Incorrect - under management by exception, escalation is linked to control limits for spend, schedule and benefits beyond which variances from plan are referred to the portfolio governance body. Ref 7.2.2.1

39 DL02.3 - Portfolio Delivery Cycle

A

LL2 - Identify the keys to success of the management control practice.

- a) Correct - this is the effective business change lifecycle key to success of the management control practice. Ref Table 7.2
- b) Incorrect - this is a key to success of the benefits management practice. Ref Table 7.4
- c) Incorrect - this is a key to success of the organizational governance practice. Ref Table 7.9
- d) Incorrect - this is a key to success of the risk management practice. Ref Table 7.7

40 DL02.4 - Portfolio Delivery Cycle

B

LL2 - Identify the keys to success of the benefits management practice.

- a) Incorrect - this a key to success of the resource management practice. Ref Table 7.10
- b) Correct - evidence-based forecasting informed by post-implementation reviews is a key to success of the benefits management practice. Ref Table 7.4
- c) Incorrect - this is a key to success of the risk management practice. Ref Table 7.7
- d) Incorrect - regular reporting of spend against the plan is a key to success of the financial management practice. Ref Table 7.5

41 DL02.5 - Portfolio Delivery Cycle

D

LL2 - Identify the main elements in the financial management practice.

- a) Incorrect - role profiles being prepared for key portfolio positions is a main element of the organizational governance practice. Ref 7.7.2
- b) Incorrect - role profiles being prepared for key portfolio positions is a main element of the organizational governance practice. Ref 7.7.2
- c) Incorrect - role profiles being prepared for key portfolio positions is a main element of the organizational governance practice. Ref 7.7.2
- d) Correct - these are all main elements of the financial management practice. Ref 7.7.2

42 DL02.6 - Portfolio Delivery Cycle

C

LL2 - Identify the keys to success of the risk management practice.

- a) Incorrect - this is a key to success of the resource management practice. Ref Table 7.10
- b) Incorrect - this is a key to success of the financial management practice. Ref Table 7.5
- c) Correct - this is a key to success of the risk management practice. Ref Table 7.7
- d) Incorrect - this is a key to success of the stakeholder engagement management practice. Ref Table 7.8

43 DL02.7 - Portfolio Delivery Cycle

D

LL2 - Identify the main elements of the stakeholder engagement practice.

- a) Incorrect - this is one of the main elements of the stakeholder engagement practice. Ref 7.6.2
- b) Incorrect - this is one of the main elements of the stakeholder engagement practice. Ref 7.6.2
- c) Incorrect - this is one of the main elements of the stakeholder engagement practice. Ref 7.6.2
- d) Correct - this is a key to success of the risk management practice. Ref 6.6.2

44 DL02.8 - Portfolio Delivery Cycle

B

LL2 - Identify the main elements of the organizational governance practice.

- a) Incorrect - dependency management is a main element of the risk management practice. Ref 7.5.2
- b) Correct - defining escalation paths where performance deviates from a set limit is a main element of the organizational governance practice. Ref 7.7.2
- c) Incorrect - providing clear rules on compiling cost forecasts in business cases is a main element of the financial management practice. Ref 7.4.2
- d) Incorrect - providing clear rules on compiling cost forecasts in business cases is a main element of the financial management practice. Ref 7.4.2

45 DL02.9 - Portfolio Delivery Cycle

A

LL2 - Identify the main elements of the resource management practice.

- a) Correct - staged release of funding enables the commitment of financial resources to be linked to the reliability of forecasts. This is an element of the management control practice. Ref 7.2.2.2
- b) Incorrect - this is an element of the resource management practice. Ref 7.8.2
- c) Incorrect - this is an element of the resource management practice. Ref 7.8.2
- d) Incorrect - this is an element of the resource management practice. Ref 7.8.2

46 DL02.10 - Portfolio Delivery Cycle

A

LL2 - Identify the challenges and solutions to effective dependency management.

- a) Correct - this is a solution to the challenge where information is not readily available. Ref Table 7.6
- b) Incorrect - the workshop is geared to meeting the challenge of information not being readily available, not to presenting complex information in an easily understandable form. Ref Table 7.6
- c) Incorrect - the workshop is geared to meeting the challenge of information not being readily available, not to assessing the most important dependencies. Ref Table 7.6
- d) Incorrect - the workshop is geared to meeting the challenge of information not being readily available not to how to document and manage dependencies. Ref Table 7.6

47 RD01.1 - Roles & Documentation

C

LL1 - Recall the purposes of the main portfolio management roles.

- a) Incorrect - the Business change or portfolio director is the management board member who is responsible for the portfolio strategy and provides clear leadership and direction through its life. Ref Appendix 2
- b) Incorrect - the portfolio benefits manager ensures that a consistent 'fit for purpose' approach to benefits management is applied across the portfolio. Ref Appendix 2
- c) Correct - the portfolio manager coordinates the effective and efficient operation of the portfolio management practices. Ref Appendix 2
- d) Incorrect - the portfolio progress group is responsible for monitoring portfolio progress and resolving issues that may compromise delivery and benefits realization. Ref Appendix 2

48 RD01.2 - Roles & Documentation

C

LL1 - Recall the purposes of the main portfolio management documentation.

- a) Incorrect - the portfolio management framework provides all stakeholders with a single, authoritative and up-to-date source of advice on the portfolio management practices adopted by the organization and its governance arrangements. Ref Appendix 5
- b) Incorrect - the portfolio strategy communicates a succinct description of the vision and objectives for the portfolio – and the means by which these objectives will be achieved. Ref Appendix 5
- c) Correct - the portfolio delivery plan provides the baseline against which progress will be monitored via the portfolio dashboard report. Ref Appendix 5
- d) Incorrect - the portfolio benefits management framework provides a framework within which consistent approaches to benefits management can be applied across the portfolio. Ref Appendix 5

49 RD02.1 - Roles & Documentation

B

LL2 - Identify the responsibilities of the main portfolio roles.

- a) Incorrect - this is a responsibility of the portfolio benefits manager. Ref Appendix 2
- b) Correct - this is a responsibility of the portfolio manager. Ref Appendix 2
- c) Incorrect - this is a responsibility of the pdg or investment committee. Appendix 2
- d) Incorrect - this is a responsibility of the portfolio progress group or change delivery committee. Appendix 2

50 RD02.2 - Roles & Documentation

D

LL2 - Identify the recommended contents of the main portfolio management documentation.

- a) Incorrect - this is contained in the portfolio management framework. Ref Appendix 5
- b) Incorrect - this is contained in the portfolio stakeholder engagement & communications plan. Ref Appendix 5
- c) Incorrect - this is contained in the portfolio dashboard which reports progress against the delivery plan. Ref Appendix 5
- d) Correct - this is contained in the portfolio delivery plan summarized from the benefits realization plan. Ref Appendix 5