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**Question: 1**

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Which of the following principles describes this statement?" xxx defines tolerances for each project objective to establish limits of delegated authority"

- A. Manage by stages
- B. Focus on products
- C. Manage by exception
- D. Learn from experience

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**Answer: C**

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**Question: 2**

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Which of the following statements is NOT correct?  
The Learn from Experience principle suggests that lessons should be actively sought...

- A. When Starting a Project
- B. When Initiating a Project
- C. As the project progresses
- D. As the project closes

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**Answer: B**

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**Question: 3**

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Which of the following principles uses Product Descriptions to provide clarity by defining each product's purpose, composition, derivation, format, quality criteria and quality method?

- A. Tailor to suit the project environment
- B. Focus on products
- C. Manage by stages
- D. Continued business justification

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**Answer: B**

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**Question: 4**

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Which of the following statements is FALSE regarding the Continued Business Justification?

- A. The justification for the project must remain the same throughout the project
- B. The justification for the project should remain valid
- C. The justification for the project may change
- D. If the project is no longer justified it should be stopped

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**Answer: B**

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**Question: 5**

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The Manage by Exception principle sets tolerances for six areas of the project, Time, Cost and Quality are three of them, what are the other three?

- A. Scope, People & Resources, Benefit
- B. Scope, Risk, Product
- C. Risk, Benefit, Product
- D. Scope, Risk, Benefit

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**Answer: A**

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**Question: 6**

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Which statement best explains the purpose of Tailor to suit the project environment?

- A. Ensure project controls are based on project's scale, complexity, importance, capability and risk
- B. To use a set of pre-defined templates for the size of project
- C. To tailor the use of the principles to suit the project
- D. To pick which PRINCE2 processes to apply and which to leave out

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**Answer: D**

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**Question: 7**

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Which of the following statements describes an outcome?

- A. Any of the projects specialist products
- B. A result of the change derived from using the project's products
- C. A measurable improvement resulting from a change
- D. Something perceived as advantages by a stakeholder

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**Answer: B**

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**Question: 8**

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Which of the following should NOT be included in the business case?

- A. Reasons
- B. Major Risks
- C. Business options
- D. Business approach

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**Answer: D**

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**Question: 9**

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When considering the business options in the business case, which of these is NOT an option?

- A. Do nothing
- B. Do the maximum
- C. Do the minimum
- D. Do something

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**Answer: B**

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**Question: 10**

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Which of the following statements is TRUE with regard to expected benefits?

- A. They cannot be assigned
- B. They don't need to follow corporate objectives
- C. They should be measurable
- D. Tolerances cannot be set against expected benefits

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**Answer: C**

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**Question: 11**

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Who is responsible for ensuring that the value-for-money solution is constantly reassessed?

- A. Business Assurance
- B. Senior User
- C. Corporate or Programme Management
- D. Reject Support

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**Answer: A**

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**Question: 12**

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Which of the following activities is the Executive responsible for?

- A. Ensure the desired outcome of the project is specified
- B. Responsible for the benefits review plan
- C. Assess and update the Business Case at the end of each stage
- D. Responsible for the Benefits Review Plan post project

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**Answer: B**

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**Question: 13**

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Scenario

Additional Information

During the initiation stage the Project Manager met with the Marketing Director to find out more about the requirements of the promotional calendar and recorded the following notes:

There has been a reduction in the order numbers at the MNO Manufacturing due in part to the increased marketing activities of its competitors. 10% of customers have not re-ordered in this financial year and staff morale is poor. A number of skilled staff have left as a result and replacement staff have not been recruited due to the reduced operation. If the project is successful, a recruitment campaign will be required to fill the existing staff vacancies and there may be a requirement for additional staff. Operational costs are likely to increase because skilled staff are expensive and difficult to find.

In financial terms, there were a total of 1,500 orders in the last financial year, each with an average profit of £2k. The Marketing department believes that sending a promotional calendar to our current and prospective customers would increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months from the date of distribution.

The Marketing Director will be funding the project from the business marketing budget. She believes that the effect of a good company image portrayed by a successful calendar would last into a second year. She has forecast the same increase in orders for a second year and predicts that the annual employee satisfaction survey will show a measurable improvement in staff morale.

A number of alternatives were explored, including:

- 20% discount for all repeat customers - not cost-effective and very short term
- A promotional calendar as a free Christmas gift - would target current and prospective customers and the benefits would last into a second year
- A series of television and press advertisements was too expensive
- A direct mail shot to all customers - benefit would be short term
- Creation of an internet website - would not suit all customers

The calendar is seen as the favored option, as long as the company's competitors do not increase their marketing activity. Whilst the Marketing department wants a very high quality, glossy product, the project management team must be aware of the cost this will incur.

Which 2 statements should be recorded under the Reasons heading?

- A. The Marketing department believes that sending a promotional calendar to current and prospective customers will increase orders by at least 10%.
- B. 10% of customers have not re-ordered in this financial year.
- C. 1,500 orders are expected, each with an average profit of £2k.
- D. The Marketing department believes that the effect of a good company image, portrayed by a successful calendar, will last into a second year.
- E. MNO Manufacturing is experiencing a fall in orders due in part to the increased marketing activities of its competitors.

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**Answer: B, E**

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**Question: 14**

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## Scenario

### Additional Information

During the initiation stage the Project Manager met with the Marketing Director to find out more about the requirements of the promotional calendar and recorded the following notes:

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Which 2 statements should be recorded under the Business options heading?

- A. Produce a promotional calendar as a free Christmas gift to current and prospective customers.
- B. Use a professional photographer to create the photographs for the calendar.
- C. Create the photographs for the calendar internally.
- D. Outsource the creation of the calendar to a professional marketing company.
- E. Do nothing.

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**Answer: A, E**

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## Question: 15

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## Scenario

### Additional Information

During the initiation stage the Project Manager met with the Marketing Director to find out more about the requirements of the promotional calendar and recorded the following notes:

There has been a reduction in the order numbers at the MNO Manufacturing due in part to the increased marketing activities of its competitors. 10% of customers have not re-ordered in this financial year and staff morale is poor. A number of skilled staff have left as a result and replacement

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Which 2 statements should be recorded under the Expected benefits heading?

- A. Increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months.
- B. It will be similar to calendars sent out in previous years
- C. The Marketing department believes that the benefits of a good company image, as portrayed by a successful calendar, will last into a second year and bring the same increase in orders.
- D. The calendar will contain photos of both staff and company products.
- E. The Marketing department want a very high quality, glossy product as they believe this will be more appealing to customers.

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**Answer: A, C**

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### **Question: 16**

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Scenario

Additional Information

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Which 2 statements should be recorded under the Expected dis-benefits heading?

A. A high quality, glossy product will involve additional costs.

B Individuals in the engineering team who are not selected to appear in the calendar photographs will become de-motivated.

C The calendar may not result in the expected 10% increase in orders.

D. Because the Calendar project is a priority for the MNO Manufacturing Company, the delivery of other projects within the Marketing department will be delayed.

E. The calendar may not result in the 10 further orders from the list of prospective customers in 12 months.

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**Answer: B, D**

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### **Question: 17**

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Scenario

Additional Information

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Which 2 statements should be recorded under the Timescale heading?

- A. Benefits will be lost if the project is not completed on time.
- B. A recruitment campaign to fill the existing staff vacancies will need to take place in the next 12 months.
- C. Additional 10% increase in orders in year two.
- D. The prepared calendar pack must be delivered by the first week in December.
- E. The print company requires a 2 week notification period of the calendar pack delivery.

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**Answer: C, D**

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### **Question: 18**

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Scenario

Additional Information

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Which 2 statements should be recorded under the Costs heading?

- A. The MNO marketing budget this year is £120k.
- B. The project will be funded from the business marketing budget
- C. 10 further orders with an average profit of £2k will deliver a benefit of £20k in the first year.
- D. The new company logo is estimated to cost £4k.
- E. Project costs are estimated to be a total of £26.5k.

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**Answer: B, E**

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### Question: 19

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Scenario

Additional Information

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the project management team must be aware of the cost this will incur.

Which 2 statements correctly define a Business Case risk which should be recorded under the Major risks heading?

- A. Operational costs will increase as a result of the recruitment campaign.
- B. The prepared calendar pack is to be delivered to the printers by the first week in December.
- C. If the calendar quality is poor customers will not use it, creating the reverse effect and reducing orders further.
- D. If any competitors launch a calendar at the same time this will reduce the impact of the MNO calendar and benefits will be reduced.
- E. Staff morale will improve as a result of the promotional calendar.

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**Answer: C, D**

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**Question: 20**

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HOTSPOT

Scenario

Additional Information

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Using the Project

Scenario and the additional Information provided for this question In the

Scenario Booklet, answer the following question.

Lines A to E in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

|   | Assertion  | True/False | Reason  |  |
|---|--|------------|---|--|
| A | If the calendar solution is changed there should be a review of, and possible changes to, the Business Case.                           |            | The Business Case includes options for the delivery of the chosen solution.                                   |  |
| B | The Business Case will no longer be viable if the prepared calendar pack is only available for printing in the first week of December. |            | The Business Case is no longer viable if stage tolerances are exceeded during project.                        |  |
| C | The fact that the project's aim is to try to counter the fall in orders should be documented in the project" Brief.                    |            | The outline Business Case contains the reasons why the project is needed and forms part of the Project Brief. |  |
| D | The Benefits Review Plan should include an assessment in 12 months time of the increase in orders.                                     |            | The Benefits Review Plan contains details of benefits reviews to be conducted during the project              |  |
| E | The expected improvement in staff morale should NOT be recorded as a benefit in the Business Case.                                     |            | Only those benefits that can be measured in financial terms should be defined in the Business Case.           |  |

**Answer:**

|   | Assertion  |   | Reason  |   |
|---|--|---|---|---|
| A | If the calendar solution is changed there should be a review of, and possible changes to, the Business Case.                           | <input checked="" type="checkbox"/> True - <input type="checkbox"/> False | The Business Case includes options for the delivery of the chosen solution.                                   | True - <input checked="" type="checkbox"/> False                          |
| B | The Business Case will no longer be viable if the prepared calendar pack is only available for printing in the first week of December. | True - <input checked="" type="checkbox"/> False                          | The Business Case is no longer viable if stage tolerances are exceeded during project.                        | True - <input checked="" type="checkbox"/> False                          |
| C | The fact that the project's aim is to try to counter the fall in orders should be documented in the project" Brief.                    | <input checked="" type="checkbox"/> True - <input type="checkbox"/> False | The outline Business Case contains the reasons why the project is needed and forms part of the Project Brief. | <input checked="" type="checkbox"/> True - <input type="checkbox"/> False |
| D | The Benefits Review Plan should include an assessment in 12 months time of the increase in orders.                                     | <input checked="" type="checkbox"/> True - <input type="checkbox"/> False | The Benefits Review Plan contains details of benefits reviews to be conducted during the project              | <input checked="" type="checkbox"/> True - <input type="checkbox"/> False |
| E | The expected improvement in staff morale should NOT be recorded as a benefit in the Business Case.                                     | True - <input checked="" type="checkbox"/> False                          | Only those benefits that can be measured in financial terms should be defined in the Business Case.           | True - <input checked="" type="checkbox"/> False                          |