

# PRINCE2

## Exam PRINCE2-Practitioner

### PRINCE2 Practitioner Exam

Version: 4.0

[ Total Questions: 190 ]

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**Topic 1, PRINCE2 Principles****Question No : 1 - (Topic 1)**

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

**Answer: B**

**Question No : 2 - (Topic 1)**

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

**Answer: A**

**Question No : 3 - (Topic 1)**

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

**Answer: B**

**Question No : 4 - (Topic 1)**

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

**Answer: B**

**Question No : 5 - (Topic 1)**

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

**Answer: D**

**Question No : 6 - (Topic 1)**

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

**Answer: C**

## Topic 2, Business Case Theme

### Question No : 7 - (Topic 2)

#### Scenario

A central government department, the Ministry of Food Hygiene (MFH), faces increasing pressure to cut costs, better manage suppliers' performance and reduce the confusion caused by inadequate internal controls, outdated standards and outdated technology. External consultants were employed to conduct a feasibility study to identify options to address the problems, and the likely costs and benefits. The following options were considered:

Do nothing.

Re-engineer selected business functions.

Outsource selected business functions.

The feasibility study concluded that there was a case for outsourcing the MFH Information Technology

Division and the Facilities Division (maintenance of buildings and grounds). The recommendations were:

One service provider should be contracted to provide the services currently provided by the

Information Technology Division and the Facilities Division.

A 10-year service contract should be agreed with the selected service provider.

The feasibility study developed high-level designs of the current organization, processes, systems and

operating models, plus an outline Business Case for the required project. The external consultants

also made the following recommendations for the management of the project:

Use PRINCE2.

Set up the project with 4 management stages:

Stage 1. Standard PRINCE2 initiation activities.

Stage 2. Create detailed designs (future organization, processes, systems and operating models) and the service level agreement between MFH and the future service provider.

Stage 3. Request and evaluate proposals, select service provider and agree contract.

Stage 4. Transfer equipment and staff, transfer responsibility for service provision and run trial period.

Initial estimates indicated that the project would cost £2.5m and take two years to complete.

MFH senior management agreed that there was a case for outsourcing, and accepted the recommendations as a basis for the project. There is an expected saving of £20m over 10 years.

The Outsourcing project has completed the Starting up a Project process and is now in the initiation stage. Because of the strategic importance of the project, the MFH Chief Executive Officer has taken the role of Executive. A PRINCE2-experienced Project Manager has been appointed from within MFH. Staff within the business functions being outsourced will work with the external consultants who conducted the feasibility study to define the detailed designs.

Which 2 statements should be recorded under the Reasons heading?

- A.** The lack of up-to-date technology in MFH means a re-engineering of existing services will not necessarily deliver the performance improvements required.
- B.** Providing re-engineered services in-house will remove the need to transfer staff to a service provider.
- C.** The Ministry of Food Hygiene (MFH) needs to deal with the increasing pressure to cut costs and better manage supplier's performance.
- D.** Relocating staff to the selected service provider's premises will mean that no property transfer is required.
- E.** The inadequate controls, outdated standards and outdated technology must be addressed.

**Answer: C,D**

**Explanation:** <http://www.whatisprince2.net/prince2-theme-business-case.php>

### Question No : 8 - (Topic 2)

#### 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 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.

**Answer: B,E**

**Question No : 9 - (Topic 2)**

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

**Answer: A**

**Question No : 10 - (Topic 2)**

**Scenario**

**Additional Information**

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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.

Answer: C,D

**Question No : 11 - (Topic 2)**

**Scenario**

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