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Question 1

Question Type: **MultipleChoice**

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

Options:

A- Require use of resource smoothing

B- Led to the development of resource heuristics as to how best to manage the portfolio

C- Require sign-offs from functional managers on the portfolio charter concerning resource availability

D- Impact the availability of the work managed within the portfolio

Answer:

D

Question 2

Question Type: MultipleChoice

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

Options:

A- Requires a change request

B- Facilitates impact analysis

C- Needs to assess dependencies

D- Requires an update to the roadmap

Answer:

B

Question 3

Question Type: MultipleChoice

Assume your pork producing company finds that there is an over-abundance of pork products and competitors in the marketplace even though it has had to implement Hazard Analysis and Critical Control Point (HACCP) processes that are a regulatory requirement. Profits are lower than ever before in the history of the company. Management is changing the company's strategy to also focus on seafood products. You have been asked to complete a gap analysis to:

Options:

A- Determine resource capacity

B- Assess risks with this change

C- Compare the current portfolio mix with that with this change

D- Determine any requirements that must be addressed before the change is implemented

Answer:

C

Question 4

Question Type: MultipleChoice

Your organization has a defined portfolio management process that it has followed for three years. As the portfolio manager, you keep your various plans up to date, and because of numerous regulatory changes involving the telecom industry, it is time to review and update the risk management plan. You have several key stakeholders working with you as you realize the importance of this plan in maintaining a competitive advantage. One way you and your team are assessing the various risks that may impact the structure of the portfolio is to use:

Options:

A- Portfolio component charts

B- Portfolio reports

C- Weighted ranking and scoring techniques

D- Risk metrics

Answer:

C

Question 5

Question Type: MultipleChoice

Working previously in the financial industry and studying finance and risk in graduate school, you are familiar with Markowitz's Efficient Frontier theory. Now assume you are the portfolio manager for a state government agency. Your agency has a reputation of being risk adverse but given recent budget cuts, you have convinced your executive team it needs to pursue some new programs and projects to demonstrate its benefits to the state. You decided to apply the Efficient Frontier concepts to show them the current state of its components in terms of risk and associated costs. You explained the portfolio is efficient if it has:

Options:

A- A mix of components---from high risk/high return to low risk/low return

B- The ability to quantify the value of risk in monetary terms

C- The possible overall portfolio value with the greatest possible benefits

D- The best possible expected level of return for its level of risk

Answer:

D

Question 6

Question Type: **MultipleChoice**

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:

Options:

A- Common criteria for portfolio optimization

B- A similar approach to track contribution to strategic goals

C- A way to set up a common set of decision filters

D- An alignment with the prioritization model

Answer:

C

Question 7

Question Type: MultipleChoice

Assuming a portfolio manager position means one has more stakeholders than in program, project, or operational roles. The goal is to identify all interested stakeholders but often overlooked are:

Options:

A- Consumer groups

B- Alliances

C- Associations

D- External resource providers

Answer:

D

Question 8

Question Type: **MultipleChoice**

Based on the following table, assume you have been asked to perform a prioritization analysis based on these dat

a. 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

Options:

A- A, B, and C

B- A, D, and C

C- A, F, and C

D- D, B, and C

Answer:

B