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NEW QUESTION: 1

As the Director of Human Resources, you were pleased to be asked to join the Portfolio Steering Committee in your organization as you feel you can contribute given the scarce subject matter experts as your company begins to enter a new market in children's toys rather than its main focus on video games and apps. Children's toys will represent a new portfolio in the company. However, while you will concentrate primarily on the resource allocation issue as you work to determine the types of projects and programs to pursue, it is important as well to recognize that:

- A. The existing portfolio's prioritization criteria will definitely require changes
- B. External procurements may be needed to acquire the SMEs
- C. The budgets allocated for day-to-day activities may be impacted
- D. The benefits from existing programs under way may not be realized

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 2

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 below the curve
- B. lies above the curve
- C. Has the best possible expected level of return for its level of risk
- D. Minimizes risks to the maximum

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 3

Assume you are working to ensure your organization has a balanced portfolio. You have decided to use a bubble diagram and have set it up to show the components in terms of:

ease of execution [difficult or easy] and component importance [high or low]. In such an approach, bubbles are used to:

- A. Visualize components
- B. Provide scores as outputs
- C. Focus on existing components
- D. Frame the balancing problem

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 4

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. Weighted Ranking and scoring techniques, Portfolio Component inventory, Categorization
- D. Capability & Capacity Analysis, Weighted Ranking and scoring techniques, Graphical Analytical Methods, Quantitative & Qualitative Analysis

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 5

You are the portfolio manager for a family business company who had an old CEO reluctant to change and to taking risks. The board has decided with the support of the president to change the CEO and assign a new one.

The executive directors along with the president have as well advised the new CEO to be more aggressive.

Which of the following documents need to be updated in this case?

- A. Portfolio Charter
- B. Portfolio Performance Plan
- C. Portfolio Management Plan
- D. Strategic Plan

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 6

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 Management Plan, Portfolio, Portfolio Reports, Enterprise Environmental Factors

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 Strategic Plan, Portfolio, Portfolio Reports, Portfolio Process Assets

Answer: B ([LEAVE A REPLY](#))

Explanation

The question targets the inputs to the Optimize Portfolio process. The answer to this question is Roadmap, Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Process Assets

NEW QUESTION: 7

Your team members were having a discussion about the purpose behind the development of the Portfolio Charter and they came to you for advice because they could not agree on a common answer. What would be your advice to them?

A. To set specific timelines for the portfolio

B. To develop the Portfolio Management Plan

C. To develop the Portfolio roadmap

D. To authorize the portfolio manager to apply portfolio resources to portfolio components and to execute the portfolio management processes

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 8

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. Internal to the portfolio

C. All Organizational Levels

D. Functional

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 9

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. The Portfolio Risk Management Plan is an important document that is referenced throughout the portfolio life cycle. Which of the following is correct regarding its purpose and focus?

A. Identifies recipients for information associated with the portfolio management process

B. Updates standard criteria to allow the portfolio team to assess the risks that are identified

C. Shows how the portfolio component progress and resource-related issues and risks are integrated with the resource management activities

D. Articulates the options, preferences, and factors that will be considered in a specific portfolio

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 10

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 are currently in the process of developing the risk management plan.

Which of the following activities will you be performing?

A. Risk Response

B. All of the options

C. Risk Assessment

D. Risk Planning

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 11

While planning for risk management, multiple investment choice tools are used as part of the quantitative and qualitative analyzes; which of the following tools determines the effect of changing one or more factors?

A. Budget Variability

B. Market Payoff variability

C. Trade-Off Analysis

D. Performance variability

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 12

Managing Strategic Change is an integral part of any portfolio in order to remain aligned with the strategic objectives. Your portfolio has undergone a major strategic change and you are currently determining the volume of work required to do in order to re-align the portfolio. What are you currently using?

A. Change Analysis

B. Gap Analysis

C. Readiness Assessment

D. Stakeholder Analysis

Answer: B ([LEAVE A REPLY](#))

Explanation

A gap analysis is performed to compare the current portfolio mix and components with the new strategic direction and the "to-be" organizational vision. This is essential to properly

manage strategic change. This analysis determines the gaps and changes needed in the portfolio mix in order that components may be added, changed, or terminated

NEW QUESTION: 13

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 Management Plan
- B.** Portfolio Charter
- C.** Portfolio Strategic Plans of both, your portfolio and the ones of the other company
- D.** Portfolio Roadmap

Answer: [\(SHOW ANSWER\)](#)

NEW QUESTION: 14

The interest, influence, and communication needs of business operational stakeholders who are looking to ensure alignment between portfolio components, while minimizing negative impact and maximizing positive benefits of all portfolio-managed changes to their business operations, relate to which type of stakeholders?

- A.** Internal Stakeholders
- B.** External Stakeholders
- C.** Internal and External Stakeholders
- D.** Does not relate to stakeholders

Answer: **A** [\(LEAVE A REPLY\)](#)

NEW QUESTION: 15

Recognizing that different components can have different types of risks, you decide to see how each risk affects the components. For example, assume you have identified a structural risk as overly ambitious plans and determine this risk affects three of the top five risks in your portfolio. You also have identified an environmental risk, in terms of whether the component will promote the organization's vision, which affects two components. Each component then has some other types of risks that affect it. From such an analysis you can see:

- A.** Gaps in the portfolio
- B.** Common causes
- C.** Rebalancing needs
- D.** Overall portfolio risk impact

Answer: **B** [\(LEAVE A REPLY\)](#)

NEW QUESTION: 16

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 Communication Requirements Analysis?

- A. All of the options
- B. Stakeholder matrix
- C. Communication Matrix
- D. Communication Strategy matrix

Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 17

As you prepare your communications management plan you realize that stakeholder requirements may change over time, and these changes then will need to be reflected in updates to the plan. As the plan defines the overall communication process not only for gathering information but also in determining recipients of it, it also:

- A. Describes how and when to effectively conduct lessons learned meetings
- B. Ensures continued confidence by all stakeholder groups as to their importance
- C. Sets expectations for the project team members
- D. Sets expectations for effective stakeholder engagement

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 18

Different stakeholders will have different portfolio reporting requirements. Sponsors for example will have a great interest in:

- A. Status in terms of other authorized components
- B. If the portfolio will meet organizational strategy
- C. Status in achieving benefits
- D. Overall portfolio value

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 19

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 Strategic Plan and Portfolio
- B. Portfolio Roadmap
- C. Portfolio Management Plan
- D. Portfolio

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 20

One of your components' managers came to you stating that she cannot find a key stakeholder by email and if she cannot find him, a major decision will be delayed, thus affecting the entire portfolio. What should you, as a portfolio manager do?

- A. Tell her that she needs to try to send him one more e-mail, and in the case the problem persists, she needs to send him a formal letter
- B. Tell her that she needs to carefully monitor this risk
- C. Tell her that she needs to escalate this issue directly to the executive management
- D. Go and meet this stakeholder face to face and collaborate with him to solve this communication issue

Answer: D ([LEAVE A REPLY](#))

Explanation

The scenario depicts a communication problem with the stakeholder. The portfolio manager should ask the component manager to go herself and have a one-on-one meeting with the stakeholder; however, in this case, the delayed decision will affect the portfolio, so you should, as a portfolio manager, take appropriate action and visit this stakeholder in his office in order to find the problem and fix it.

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 has been occurring multiple times in the exam

NEW QUESTION: 21

Assume you are the portfolio manager for a public sector organization, and it has been part of a public-private partnership for three years for highway projects. You are making recommendations as to the next program to undertake. The head of your Highway Department in your State is questioning whether the partnership is the best approach or whether it is best to work on its own. You asked the Marketing manager for assistance, and she prepared a value-for-money analysis. This approach is useful in that it:

- A. Computes the expected monetary value of the two approaches
- B. Provides a real options approach
- C. Supports a value-to-organizational vision approach
- D. Enables an apples-to-apples comparison of the two approaches

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 22

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. Risk tolerances
- B. The new 'to be' vision
- C. Key stakeholders
- D. Interdependencies between the new components

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 23

Strategies are changing, the portfolio mix is changing, the portfolio is progressing and you are doing a great job optimizing the mix of components. What tools and techniques are you using in the case?

- A. Weighted Ranking and scoring techniques, Portfolio Component inventory, Categorization
- B. Integration of Subsidiary Plans, Organizational Structure Analysis, Elicitation techniques
- C. Capability & Capacity Analysis, Weighted Ranking and scoring techniques, Graphical Analytical Methods, Quantitative & Qualitative Analysis, PMIS
- D. Capability & Capacity Analysis, Weighted Ranking and scoring techniques, Graphical Analytical Methods, Quantitative & Qualitative Analysis

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 24

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 risks is key to success, and you are coaching your team on the same. While planning for risk management, multiple investment choice tools are used as part of the quantitative and qualitative analyzes. Which of the following tools determines the effects of portfolio velocity?

- A. Trade-Off Analysis
- B. Market Payoff variability
- C. Budget Variability
- D. Time-To-Market Variability

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 25

Working to prepare the portfolio performance management plan, assume you have been involving others in the process to help secure their later support of the plan. You also reviewed historical information and other artifacts. Not to be overlooked is a/an:

- A. Regulatory requirements
- B. Benefit schedule
- C. Organization chart
- D. Governance model

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 26

Working to ensure the portfolio management process is one that is followed and is embraced has been a major challenge. As the portfolio manager, assume you set up meetings with the Portfolio Governance Group bi-weekly since there is constant change in your telecom company. You also want the portfolio process to be transparent. To do so, a useful tool to communicate status is:

- A. A governance decision register
- B. Reports on funding decisions
- C. Key portfolio milestones
- D. The portfolio roadmap

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 27

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. Balancing portfolio and managing dependencies
- B. Vision for the portfolio, which is based on the alignment with the organization's goals and objectives
- C. Portfolio Justification, high-level scope and high-level timelines
- D. The major components of the portfolio which are aligned chronologically to achieve portfolio value

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 28

One of your company's junior portfolio managers came to you for advice. He noticed while checking the roadmap that it does not include all the portfolio components. What should be your advice to him?

- A. The roadmap does not include all of the portfolio components, it is used as a high-level timeline

B. The roadmap should include all of the portfolio components in order to correctly depict the different timelines and milestones

C. Whether the roadmap includes all or a part of the portfolio components, is the decision of the portfolio manager

D. Whether the roadmap includes all or a part of the portfolio components, is the decision of the portfolio sponsor

Answer: B (LEAVE A REPLY)

NEW QUESTION: 29

As a portfolio manager, you have been reporting the progress, status and performance regularly and you have been doing a good job so far. Reports are the primary documents to communicate portfolio status and be able to balance the mix of portfolio components to best align with objectives. When it comes to optimizing a portfolio, how can risk reports be used?

A. To know about major risks and occurred issues in relation with the portfolio components

B. To assess achieved value and the confidence level in it

C. To be able to define the organization risk tolerance and update the Strategic Plan accordingly

D. To be able to analyze occurred risks and cancel any component who has an increased risk

Answer: A (LEAVE A REPLY)

NEW QUESTION: 30

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. Response Planning, Risk Identification, Risk Assessment, Risk Response

B. Risk Planning, Risk Assessment, Risk Response

C. Risk Identification, Response Planning, Risk Assessment, Risk Response

D. Risk Identification, Risk Assessment, Response Planning, Risk Response

Answer: B (LEAVE A REPLY)

NEW QUESTION: 31

As you work to determine which stakeholders had the highest degree of influence over the portfolio, you wanted to especially know about the members of the Portfolio Governance Board because:

A. All of the portfolio changes, risks, and issues would be of interest to them

B. They would be best suited to work with people who were not portfolio management supporters

- C. They would have numerous interrelationships with other stakeholders
- D. The governance processes affect information requirements

Answer: D (LEAVE A REPLY)

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NEW QUESTION: 32

In a portfolio, data is an abundant asset, and managing the information aiming for a better decision making is critical. Which of the following are considered outputs to the Manage Portfolio Information process?

- A. Portfolio Process Assets updates, Portfolio Charter updates, Portfolio Reports updates, Portfolio Management Plan updates, Portfolio Component Reports updates
- B. Portfolio Process Assets updates, Portfolio Management Plan updates, Portfolio Reports
- C. Portfolio Process Assets updates, Portfolio Charter updates, Portfolio updates, Portfolio Management Plan updates, Enterprise Environmental Factors updates
- D. Portfolio Process Assets updates, Portfolio Roadmap updates, Portfolio updates, Portfolio Management Plan updates, Enterprise Environmental Factors updates

Answer: B (LEAVE A REPLY)

NEW QUESTION: 33

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? Taking into consideration that the costs for each component is Component A: 10 K USD, Component B: 15 K USD, Component C: 16 K USD, Component D: 13 K USD and Component E: 11 K USD; The budget for this portfolio is a fixed one of 40 k USD Larger image

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

Answer: D (LEAVE A REPLY)

Explanation

D, B, E 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 to the lowest; Then, you need to accept the prioritized components until you reach the budget cap: Component D (13 K) + Component B (15 K) + Component E (11 K); Component E is the last accepted one before reaching the budget cap.

NEW QUESTION: 34

Which of the following depicts the use of the burn-down and burn-up charts?

- A.** All of the Options
- B.** They show the burned cost and time against planned ones
- C.** They show the planned vs accrued Earned Value
- D.** They show the execution of the portfolio against the overall budget and time

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 35

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, Communication Requirements Analysis, Stakeholder analysis
- B.** Elicitation techniques, Value Scoring & Measurement Analysis, Benefits Realization Analysis
- C.** Elicitation techniques, Capability & Capacity Analysis, PMIS
- D.** Scenario Analysis, Capability & Capacity Analysis, Quantitative & Qualitative

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 36

Your portfolio is on a tight deliverables and is considered the major portfolio in your company. Stakeholders are concerned about the purpose of defining a portfolio while already having an inventory of work and are worried that this will cause a lot of time to be wasted. What is your advice to the stakeholders?

- A.** This process can be skipped because it will be re-done as part of the Optimize Portfolio process
- B.** This process is required to produce an organized portfolio for ongoing evaluation, selection, and prioritization
- C.** They are right, the process can be skipped when an inventory of work is in place
- D.** This process is required to optimize and balance the portfolio for performance and value delivery

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 37

Chartering the portfolio is an important step towards the initiation of the endeavor. It authorizes the portfolio managers to use the resources and marks the first step towards the allocation of resources to the components upon their initiation. Which of the below can help you while developing the charter?

- A. Strategic Alignment Analysis, Prioritization Analysis, Portfolio Component Inventory
- B. Prioritization Analysis, Interdependency Analysis, Cost-Benefit Analysis
- C. Scenario Analysis, Capability & Capacity Analysis
- D. Gap Analysis, Readiness Assessment, Stakeholder Analysis

Answer: C ([LEAVE A REPLY](#))

Explanation

This scenario targets the tools and techniques to the "Develop Portfolio Charter" process. The answer to this question is Scenario Analysis, Capability & Capacity Analysis

NEW QUESTION: 38

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: 39

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. Where is this type of results normally found?

- A. Resource Pools
- B. Portfolio Process Assets
- C. Portfolio Reports
- D. Portfolio Management plan

Answer: A ([LEAVE A REPLY](#))

Explanation

This scenario targets the end of the Manage Supply and Demand (its outputs). Resource utilization and resource efficiency are typically found in Portfolio Reports as results to the process. Appropriate information is then recorded/updated in other portfolio documents .

NEW QUESTION: 40

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.** Resources required by type and quantity
- C.** Identified stakeholder expectations
- D.** Portfolio Vision and measurable goals and guidance

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 41

In a portfolio, data is an abundant asset, and managing the information aiming for 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. Considering that you are currently working to ensure resource capacity is optimally allocated against resource requirements or demand based on known organizational priorities and potential value, how can you make use of the quantitative and qualitative analysis?

- A.** Performing Status and trend analysis, Re-balancing methods, Investment choice tools, exposure charts
- B.** Performing Quantitative analysis and Sensitivity analysis
- C.** Performing Cost-benefit analysis, quantitative analysis, scenario analysis, probability analysis, SWOT analysis, Market/competitor analysis and business value analysis
- D.** Performing resource leveling, project sequencing techniques and dependency analysis

Answer: D ([LEAVE A REPLY](#))

Explanation

This is an important question as it target two concepts. The manage supply and demand process has the goal of ensuring resource capacity is optimally allocated against resource requirements or demand based on known organizational priorities and potential value (SPM V3 Page 92). We now know where we are at and we know that the quantitative and qualitative analysis is a tool and technique in this process. When it comes to the manage supply and demand process, the quantitative and qualitative analysis methods used are resource leveling, project sequencing techniques and dependency analysis

NEW QUESTION: 42

One of your components within the portfolio has been struggling and has undertaken a lot of issues. A recent measurement has shown that its CPI is 0.4 and SPI is 0.3. What is the best course of action you should take as a portfolio manager

- A. Escalate the issue to the Portfolio steering committee
- B. Immediately terminate the component
- C. Request that the component governance board checks this component and takes a decision on whether to continue or terminate it
- D. Notify the sponsor of the component about the issue

Answer: C ([LEAVE A REPLY](#))

Explanation

The portfolio manager should not directly terminate the component and should instead send a recommendation to the component governance board to terminate the component; the component governance board needs to take the decision on whether to terminate the component or continue working on it. The recommendation is sent in order for the component manager to check if there is a solution to the problem and recommend a change which can be approved or denied by the component's governance board 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

NEW QUESTION: 43

Your goal as a portfolio manager is to develop a strong communications management plan to keep interested stakeholders informed about your progress in portfolio management. Although you have reached out to numerous stakeholders, you know other portfolio processes also can help in this process such as:

- A. Finance
- B. Performance
- C. Strategy
- D. Governance

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 44

Communication is one of the largest activities that the portfolio manager does along the portfolio lifecycle. As an experienced portfolio manager, you know that communication and information needs vary between portfolios, programs and projects. How do you define the difference in those three levels of Project Management?

- A. Communications at a Program level are more diversified than at project and portfolio levels Communications at a Portfolio level are more diversified than at project and program levels

B. Communications at a Project level are more diversified than at portfolio and program levels

C. Criticality of the communication with relation to the organization is highest at a project level as the business value is acquired at this level

Answer: (SHOW ANSWER)

Explanation

Portfolio communication recognizes the broad and varied stakeholders from executive management through individuals performing the basic tasks to third parties. The information needs of portfolio stakeholders are much more varied than with project-level communication primarily because of the breadth and variety of stakeholders

NEW QUESTION: 45

One of your component managers came to you to tell you about a risk affecting his component that will badly impact the component and might affect the portfolio. After assessment, the risk turned out to be of low probability with high impact. What do you do as a portfolio manager?

A. Inform him to submit a change request to raise the component contingency because of this risk

B. Inform the component manager to add the risk to the risk register and follow up on it closely

C. Inform the component manager to add the risk to the risk register, assign a senior risk owner to it in order to follow up on it closely

D. Inform him that he does not need to worry, you will have a risk contingency reserve for his risk at a portfolio level

Answer: (SHOW ANSWER)

Explanation

Low probability and high impact risks are mitigated by means of contingency reserves at the portfolio level; called equity protection.

NEW QUESTION: 46

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

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NEW QUESTION: 47

The governance board has an integral part in the realization of the portfolio strategic value. In your opinion as a portfolio manager, Governance board decisions are based on

- A. Information given by the portfolio manager
- B. Portfolio Strategic Alignment
- C. Portfolio Process Assets
- D. Portfolio reports

Answer: D ([LEAVE A REPLY](#))

Explanation

Governance board decisions should be informed decisions and should be validated against reports aggregated by the portfolio manager from the different portfolio components. This information is tendered by the portfolio manager using portfolio reports

NEW QUESTION: 48

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. Quantitative & Qualitative
- B. SWOT
- C. Benefits Realization
- D. Value Scoring & Measurement

Answer: ([SHOW ANSWER](#)**)**

Explanation

SWOT is part of the elicitation techniques used in Manage portfolio value process. It ensures benefits are comprehensively and holistically taken into consideration

NEW QUESTION: 49

Risks are very important to manage in portfolio management and organizations can choose to embrace risks with the potential of high rewards. As a portfolio manager, planning and managing risks is important. Risks are categorized in order to ease the process. Which of the following are considered as risk categories that a portfolio manager can use?

- A. All of the options
- B. Organizational Risk, Image and Public Relation Risk
- C. Portfolio Component Risk, Market Risk
- D. Performance Risk, Regulatory Risk

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 50

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 contains the portfolio structure which is used to structure the components for management through the portfolio management plan
- B. Roadmap is not an input to this process
- C. Roadmap provides the prioritization model to the portfolio management plan
- D. High-level timelines in roadmap are used to define low-level schedule and timelines for portfolio components

Answer: D ([LEAVE A REPLY](#))

Explanation

The prioritization model is provided by the strategic plan; portfolio structure is provided by the charter; the correct option as per the standard is that high-level timelines in roadmap are used to define low-level schedule and timelines for portfolio components

NEW QUESTION: 51

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. Capability and Capacity Analysis
- B. Sequencing Techniques
- C. Interdependency Analysis
- D. Scenario Analysis

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 52

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. You are currently using it in the development of your charter. What is its purpose in this case?

- A.** 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
- B.** 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
- C.** It enables the organization to achieve maximum portfolio benefits given current resource constraints
- D.** Performed to understand the human, financial, and asset capacity and capability of the organization in order to select, fund, and execute portfolio components

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 53

Following an organizational change and restructuring. One of the Portfolio Key Stakeholders got a promotion and became a director. She became less interested in your portfolio and you used to engage her very closely.

What is your best course of action in this case?

- A.** Escalate the issue to the steering committee in order to solve the issue from a management perspective
- B.** This is a normal scenario in a given portfolio; you should continue work as normal
- C.** Meet with the stakeholder and analyze her requirements again
- D.** Move her to the third quadrant (high influence, low interest)

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 54

Your company works closely with the government on the implementation of water pumps for rural areas. You are constantly dealing with new and updated regulations, and periodically adapting the portfolio to the changes. When it comes to regulatory components, how do you include the components in the portfolio?

- A.** Normally categorize, score and rank the components, however, include them in the final portfolio regardless of the results
- B.** Normally categorize, score and rank the components and include them similar to any other component in the portfolio
- C.** Reject them if they are not strategically aligned with the portfolio objectives
- D.** Include them directly in the portfolio without categorization, ranking and scoring

Answer: A ([LEAVE A REPLY](#))

Explanation

All components should be categorized, scored and ranked in order to be able to classify them and allocate appropriate resources to them. However, for the regulatory components, they should be added to the final portfolio no matter the results of their classification.

NEW QUESTION: 55

Your company's new CEO has set an aggressive target and informed everyone that the target needs to be met by all means in order for the company to be able to realize benefits and avoid bankruptcy. What is the best management approach that the portfolio manager should take in this case?

- A. Supporting
- B. Advising
- C. Directing
- D. Leading

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 56

The Portfolio Charter is an important document that is referenced throughout the portfolio life cycle. Which of the following is correct regarding the Portfolio Charter purpose and focus?

- A. Corresponds to the means to the "to-be" vision
- B. Can be used to influence the portfolio's success
- C. High-level prioritization mapping of the portfolio
- D. Forecasts how and when the portfolio will deliver value to the organization

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 57

Which of the options is considered part of Enterprise Environmental Factors (EEFs)

- A. High turnover
- B. Fluctuating market rates of raw material
- C. Organizational Changes, Risk Management
- D. Bankruptcy, Project Demand

Answer: B ([LEAVE A REPLY](#))

Explanation

EEFs are internal or external conditions, not under the control of the portfolio organization, which influence, constrain, or direct a portfolio's success. The only option which is part of EEFs is the fluctuating market rates of raw material

NEW QUESTION: 58

As you grow older, you gain more experience and things that once seemed hard to assimilate, can become very easy. One junior member of your portfolio management team

is confused on the relationship between the Optimize, Authorize and Provide Oversight processes. What could your advice to him be?

- A.** The provide portfolio oversight process may trigger the other two processes as part of the review meetings
- B.** The three processes are not related and are in different focus areas
- C.** The Optimize portfolio comes first, then authorize portfolio and finally Provide Portfolio oversight
- D.** The Optimize portfolio process is used to balance the portfolio so that the authorize portfolio and Provide Portfolio Oversight processes can start

Answer: A ([LEAVE A REPLY](#))

Explanation

The three mentioned processes are, similar to all processes, recurring in the portfolio life cycle and are not prerequisites to one another. As part of the review meetings, decision may be taken to initiate a component, which requires triggering the authorize portfolio process; on the other hand, decisions to add new components can be taken which requires to optimize the portfolio once again

NEW QUESTION: 59

Your IT company has been successful as it is able to deliver projects on time without the need for rework and within the allocated budget. Your customers have been astonished with the results and are using your company for additional work, plus they have been recommending your company to others. Your company is experiencing tremendous growth and wants to ensure it can take on the new work with existing resources, both people and systems, or whether it will need to use outsourcing. Given its outstanding reputation, your executives wish to avoid the need to outsource. You have been asked to perform a capacity analysis. A best practice is to:

- A.** Use resource leveling in an enterprise project management information system
- B.** Prepare a model of the current configuration and modify it to determine future capacity requirements
- C.** Determine and document existing assumptions
- D.** Inventory staff members to assess their level of competencies and existing workload

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 60

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

- C. This analysis will help in prioritizing the portfolio
- D. This analysis is part of the develop strategic plan and not develop portfolio management plan

Answer: (SHOW ANSWER)

Explanation

The portfolio manager should assign performance review and reporting roles and responsibilities across each program, project, or operational component. Resources (information, human, and financial) are identified and made available to the portfolio components at the right time and returned to the enterprise once their purpose has been served. Using this analysis, Portfolio Management roles and responsibilities are defined

NEW QUESTION: 61

A key role for portfolio management is to balance the use of resources following the need against the existing skill-set. One of the component managers told you that an important SME on his program is traveling and there is no replacement for her. This will cause a major delay in the program. What is your first step as a portfolio manager?

- A. Do interdependency management and see the impact
- B. Send a broadcast report to all components informing them of the issue
- C. Ask him to do a quick recruitment and hire someone to solve the issues
- D. Tell him that he needs to find out a solution and that you will be ready for any assistance needed

Answer: A (LEAVE A REPLY)

Explanation

The first thing that you should do is to perform an interdependency analysis to see if the problem affects other components or the portfolio itself. Appropriate actions should be taken accordingly

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NEW QUESTION: 62

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.** Her responsibility is to develop and maintain portfolio, program and project management frameworks and methodologies
- B.** Her responsibility is to continuously review, reallocate, re-prioritize and optimize the portfolio to ensure alignment with strategic objectives
- C.** You should tell her to go read the standard for portfolio management where she can find all the needed answers to her questions
- D.** She will be responsible of managing the strategic, operational and functional activities of all portfolio components

Answer: [\(SHOW ANSWER\)](#)

NEW QUESTION: 63

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. You are managing the strategic change and using multiple tools and techniques. What are they?

- A.** Prioritization Analysis, Interdependency Analysis, Cost-Benefit Analysis
- B.** Scenario Analysis, Capability & Capacity Analysis
- C.** Gap Analysis, Readiness Assessment, Stakeholder Analysis
- D.** Strategic Alignment Analysis, Prioritization Analysis, Portfolio Component Inventory

Answer: [C \(LEAVE A REPLY\)](#)

Explanation

The answer to this question is Gap Analysis, Readiness Assessment, Stakeholder Analysis

NEW QUESTION: 64

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 AND size of components the organization can execute?

- A.** Assets
- B.** Financial
- C.** Knowledge Basis
- D.** Human Resources

Answer: [A \(LEAVE A REPLY\)](#)

NEW QUESTION: 65

Multiple changes have been recommended and approved in your portfolio and the need for continuous optimization seems to never end. This is normal in a portfolio and optimizing the components mix and the use of resources is key to success. As a portfolio manager

you will be re-visiting the Optimize Portfolio process countless times. Which of the following are considered outputs to this process?

- A. Roadmap update, Portfolio Management Plan update, Portfolio update, Portfolio Reports, Enterprise Environmental Factors update
- B. Roadmap update, Portfolio Management Plan update, Portfolio update, Portfolio Reports, Portfolio Process Assets update
- C. Roadmap update, Portfolio Management Plan update, Portfolio update, Portfolio Reports, Portfolio Organizational Process Assets update
- D. Roadmap update, Portfolio Strategic Plan update, Portfolio update, Portfolio Reports, Portfolio Process Assets update

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 66

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: B ([LEAVE A REPLY](#))

Explanation

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

NEW QUESTION: 67

One of your components within the portfolio has been struggling and has undertaken a lot of issues. A recent measurement has shown that its CPI is 0.4 and SPI is 0.3. What is the best course of action you should take as a portfolio manager

- A. Request that the component governance board checks this component and takes a decision on whether to continue or terminate it
- B. Immediately terminate the component
- C. Escalate the issue to the Portfolio steering committee
- D. Notify the sponsor of the component about the issue

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 68

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

Balanced scorecards keep focus on results. As a portfolio manager, you know that the purpose of using the balanced scorecards is

- A. All of the options
- B. Translate a high level strategic plan into an operational action plan
- C. Measure performance against goals
- D. Bring a feedback loop to strategic planning

Answer: A ([LEAVE A REPLY](#))

Explanation

Balanced Scorecard helps with two problems that plague organizations: Balanced Scorecard can translate a high level strategic plan into an operational action plan. Balanced Scorecard brings a feedback loop to strategic planning. The Scorecard measures performance against goals, determines if the goals are appropriate, and determines if the strategy or measures should be changed. 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 did occur on rare occasions in the exam and similar questions to it have been spotted multiple times in the exam. BSC is not well explained in the standard when it comes to similar questions, however we try to give you as much information as possible on it for the exam.

NEW QUESTION: 69

One of the ten underlying principles of portfolio management involves a strategic focus. Assume you are going to have a short meeting with your CEO tomorrow, and you want to succinctly describe it. You will tell the CEO it is important since it:

- A. Balances conflicting demands
- B. Includes processes and change initiatives to accomplish organizational strategies
- C. Emphasizes the need for portfolio management to attain strategic objectives
- D. Provides a clear basis for decision making

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 70

Consider you have the following efficient frontier graph with multiple portfolios on it. Which portfolio do you choose?

Larger image

- A. Portfolio A
- B. Portfolio B
- C. Portfolio D
- D. Portfolio C

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 71

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 Charter, Portfolio Management Plan
- B. Portfolio, Portfolio Strategic Plan, Portfolio Management Plan
- C. Portfolio, Portfolio Charter, Portfolio Strategic Plan
- D. Portfolio, Portfolio Strategic Plan, Portfolio Process Assets

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 72

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: D ([LEAVE A REPLY](#))

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: 73

As part of the governance function, the governance board members are required to be present in the portfolio review meeting in order to know the status of the portfolio and be able to take decisions on pending points.

When it comes to review meetings, which of the following is valid?

- A. Meeting between the functional managers and the governance board in order to discuss financial points i.e. funding, etc.
- B. Formal and held when needed to take decisions regarding the portfolio
- C. Formal and recurring governance board meetings
- D. Non-recurring and informal meetings that allow the governance board to check on the portfolio's health and take actions when needed

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 74

Your company's water treatment center serves three cities. Tests are conducted each day to see if the water is safe to drink. On Thursday, E coli were found in the water, but the water authority did not notify the citizens in the three cities. Instead, the citizens learned on Friday, the water was now safe to drink. The citizens are in an uproar, and your company is to blame. It is obvious one of the problems is the aging infrastructure and limited resources. To best optimize the portfolio, your CEO asked you to:

- A.** First determine why citizens were not aware of the problem
- B.** Analyze the physical needs
- C.** Analyze the testing methods in use for effectiveness
- D.** Reallocate financial and other resources to new components to avoid this problem in the future

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 75

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 Sponsor
- C.** Portfolio Management Office
- D.** Portfolio Manager

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 76

You are the manager of a major portfolio with a variety of stakeholders and stakeholder groups. you know that managing communication is key to success and you stress on maintaining a high communication level. You have just finalized the development of the Portfolio Communication Management Plan. Which of the following is correct regarding its purpose and focus?

- A.** Identifies recipients for information associated with the portfolio management process
- B.** Shows how and when the portfolio resources will be planned, balanced, and allocated to the portfolio components
- C.** Articulates the options, preferences, and factors that will be considered in a specific portfolio
- D.** Describes the approach and intent of management in identifying, approving, procuring, prioritizing, balancing, managing, and reporting a portfolio

Answer: **B** ([LEAVE A REPLY](#))

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NEW QUESTION: 77

In identifying risks to then manage and control, as the portfolio manager you are consulting organizational process assets such as:

- A. Commercial data bases
- B. Lessons learned
- C. Knowledge bases
- D. Values

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 78

While defining the portfolio, the portfolio manager uses a set of evaluation criteria in order to generate a list of portfolio components for optimization and balancing. Which of the following is not an evaluation criteria?

- A. Costs
- B. Technology capabilities and capacities
- C. Benefits, financial and non-financial
- D. Customer

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 79

Working to prepare the communications plan, a best practice to follow is to use the roadmap. By doing so, it:

- A. Shows the overall portfolio timeline, useful for determining the frequency of reporting
- B. Provides information about interdependencies that may affect objectives
- C. Shows applicable constraints
- D. Emphasizes milestones and the timing of key benefits

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 80

Your executive management has been recently undergoing a change from a functional organization to a projectized one and is currently assessing the volume of work that the

organization can execute. Which of the following tools and techniques will decide the volume of work and components that the organization can execute?

- A. SWOT Analysis
- B. Capability and Capacity Analysis
- C. Weighted Ranking and Scoring
- D. Quantitative & Qualitative Analysis

Answer: [\(SHOW ANSWER\)](#)

NEW QUESTION: 81

Your CEO is keen to know the likelihood of the portfolio to realize the expected ROI. You are currently looking for a tool to calculate the probability to achieve portfolio objectives. Which of the following will help you in doing that?

- A. Risk Exposure Charts
- B. Investment Choice Analysis
- C. SWOT Analysis
- D. Delphi

Answer: A [\(LEAVE A REPLY\)](#)

NEW QUESTION: 82

When we talk about portfolios, programs and projects, it is inevitable to mention the business value which is the sum of tangible and intangible assets of an organization, also known as the net quantifiable benefit.

When it comes to business value, at which level of the organization is the pursuit of Business Value optimized?

- A. Program
- B. Portfolio
- C. Operational
- D. Project

Answer: B [\(LEAVE A REPLY\)](#)

Explanation

Portfolios optimize the pursuit of BV by choosing which initiatives to undergo and by prioritizing them to meet goals and objectives. This is why greater BV is generated through portfolios. Programs improve the generation of BV by realizing benefits aligned with strategic objectives and by linking different projects together to realize greater benefits. Projects optimize the delivery of BV by producing outputs for a program objective; after all, the deliverable is generated at the project level where the project manager will optimize the delivery in terms of cost, time, scope and quality.

BV is then acquired at the level of operations and normally expressed in monetary terms.

NEW QUESTION: 83

A portfolio manager on one of the major sub-portfolios in your portfolio has tendered his resignation and gave you a 2 months notice. This unexpected change will require you to take immediate action with the governance board. Which of the following processes will be handling this situation?

- A. Manage strategic change
- B. Manage Supply & Demand
- C. Manage Portfolio Risk
- D. Provide Portfolio Oversight

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 84

The sponsor came to you asking for a high level timeline to depict the approach that you will take to execute this portfolio. What tools and techniques is useful in your case?

- A. Strategic Alignment Analysis, Prioritization Analysis, Portfolio Component Inventory
- B. Gap Analysis, Readiness Assessment, Stakeholder Analysis
- C. Scenario Analysis, Capability & Capacity Analysis
- D. Prioritization Analysis, Interdependency Analysis, Cost-Benefit Analysis

Answer: D ([LEAVE A REPLY](#))

Explanation

You are in the Define Roadmap process. The answer to this question is Prioritization Analysis, Interdependency Analysis, Cost-Benefit Analysis

NEW QUESTION: 85

You have been newly appointed as a portfolio manager and found out that your predecessor did not develop a Portfolio Risk Management plan as he thought that it is not necessary in the case where he has a risk register.

One of your first activities was to develop the missing plan. To do this, you needed to consult with stakeholders in order to fetch risk information in order to identify risks and plan risk management. Which of the following inputs to this process will help you in identifying which stakeholders to analyze?

- A. Portfolio Risk Management Plan
- B. Elicitation technique
- C. Portfolio Communication Management Plan
- D. Portfolio Process Assets

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 86

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: 87

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, categorization, scoring, ranking, prioritization, selection, resource allocation
- B. Identification, selection, categorization, scoring, ranking, prioritization, resource allocation
- C. Identification, categorization, ranking, scoring, selection, prioritization, resource allocation
- D. Identification, categorization, scoring, ranking, selection, prioritization, resource allocation

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 88

Processes in the portfolio management layer interact with each others. For example, Manage Portfolio Information interacts with Provide Portfolio Oversight in order to store decisions made during the portfolio review meetings. Where are these decisions stored?

- A. Portfolio Management Plan
- B. Portfolio
- C. Portfolio Reports
- D. Portfolio Process Assets

Answer: C ([LEAVE A REPLY](#))

Explanation

This scenario targets an output of the "Manage Portfolio Information" process. Portfolio reports store the results of review meetings from decisions, actions to take and announcements

NEW QUESTION: 89

As a portfolio manager, you map the business value areas to each component in your portfolio in order to maintain alignment with the organizational strategy. What is the mechanism that will be used for tracking areas of measurement for assessing how the mix of portfolio components is performing?

- A. Benefits Realization
- B. Performance Metrics
- C. Manage Portfolio Value
- D. Portfolio Roadmap

Answer: (SHOW ANSWER)

Explanation

The performance metrics are used for targeting areas of measurement for assessing how the mix of portfolio components is performing. Benefits realization aids the management and tracking of portfolio benefits

NEW QUESTION: 90

As part of the portfolio communication management, multiple documents are prepared in order to effectively manage communications. The Stakeholder matrix is one of the prepared documents, what does it include?

- A. Stakeholders quadrants showing the level of interest and influence
- B. Stakeholders roles, interests, expectations and groups
- C. Intended recipients, communication vehicles, frequency and communication areas
- D. Representation of all of the communication for the portfolio and their frequency over a period of time

Answer: B (LEAVE A REPLY)

Explanation

The Stakeholder matrix contains stakeholders roles, interests, expectations and groups

NEW QUESTION: 91

A new regulatory mandate has been imposed by the government which highly affected your portfolio.

Multiple regulatory components are requested to be added to the portfolio in order to comply with new governmental bank regulations. Initiating these components requires permission from

- A. Portfolio Manager
- B. Portfolio Sponsor
- C. Portfolio Governance Board
- D. Portfolio Components' teams

Answer: C (LEAVE A REPLY)

Explanation

Any component initiation request should be recommended by the portfolio manager to the governance board for approval. The portfolio manager submits a proposal and gets it approved for initiation

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NEW QUESTION: 92

In a portfolio, data is an abundant asset, and managing the information aiming for a better decision making is critical. Information is considered to be the link between the portfolio activities and entities. You are currently collecting, analyzing, storing, and delivering portfolio information to stakeholders in accordance with their requirements. What can help you in doing this?

- A. Portfolio Roadmap, Portfolio, Portfolio Reports, Portfolio Management Plan, Portfolio Component Reports
- B. Enterprise Environmental Factors, Portfolio, Portfolio Reports, Portfolio Management Plan, Portfolio Component Reports
- C. Portfolio Process Assets, Portfolio, Portfolio Reports, Portfolio Management Plan, Portfolio Component Reports
- D. Enterprise Environmental Factors, Portfolio, Portfolio Reports, Portfolio Management Plan, Portfolio Strategic Plan

Answer: (SHOW ANSWER)

Explanation

The scenario targets the inputs for "Manage Portfolio Information" process. The answer to this question is Portfolio Process Assets, Portfolio, Portfolio Reports, Portfolio Management Plan, Portfolio Component Reports

NEW QUESTION: 93

Your health insurance company has set up its portfolio into five different categories: research and development, IT, Medicare, government health insurance, and non-government health insurance. Funding is allocated yearly to each of these six categories. As the portfolio manager at the enterprise level, you:

- A. Meet with the CFO and determine these allocations when the budget for the fiscal year is being prepared
- B. Ensure such allocations are reflected in the portfolio's strategic plan

- C. Use your existing inventory of components in the portfolio and in the pipeline to determine funding allocations
- D. Meet with the managers of the five portfolios once the budget allocations are known

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 94

You have finalized optimizing your portfolio and want to avoid any delay by directly recommending the initiation of multiple portfolio components. What do you need for starting this?

- A. Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Process Assets
- B. Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Process Assets, Portfolio Roadmap
- C. Portfolio Management Plan, Portfolio, Portfolio Reports
- D. Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Process Assets, Portfolio Strategic Plan

Answer: ([SHOW ANSWER](#))

Explanation

The question clearly targets the authorize portfolio process where you initiate portfolio components, and specifically the scenario asks about the inputs for it. The answer to this question is Portfolio Management Plan, Portfolio, Portfolio Reports

NEW QUESTION: 95

Due to multiple issues, there were changes in the reporting process in your portfolio; the meetings with their frequencies have been changed and this will also affect the reporting cycle times. In order to meet this new change you will update which of the following documents?

- A. Communication Matrix
- B. PMIS
- C. Communication Strategy Matrix
- D. Communication Calendar

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 96

Your company is currently on the verge of bankruptcy due to the lack of transparency within the organization; this alerted the CEO to take decisive actions and request that new reporting lines be established in order to be fully transparent. The new reporting lines triggered changes in roles & responsibilities for managing communication and communication policies & constraints. Where are these changes reflected when it relates to your portfolio?

- A. Portfolio Process Assets updates
- B. Portfolio Updates

- C. Portfolio Management Plan updates
- D. Organizational Process Assets updates

Answer: (SHOW ANSWER)

Explanation

The Portfolio Communication 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: 97

Because your company's Portfolio Review Board consists of the Directors of its five business units and is chaired by the CEO, the meetings tend to be contentious as there is limited funding available to authorize all the proposed programs and projects. Dissension also is the norm if resources are reallocated from one business unit to another. As a result, the CEO:

- A. Strives to use consensus to make decisions, but this approach rarely is effective
- B. Decided to use an outside facilitator when meetings are held
- C. Uses multi-voting and makes the final decision
- D. Often uses a Delphi approach

Answer: B (LEAVE A REPLY)

NEW QUESTION: 98

You are the manager for a major industrial portfolio aiming to rebuild the vintage building in your region.

Having a tight schedule, a large number of stakeholders including the public, in addition to a strict budget, you know that you will be managing the portfolio closely and that the governance board and the stakeholders would want to check on the progress and status frequently. For this you started to develop a robust Portfolio management plan. Which of the following can be used when starting this process?

- A. Portfolio Management Plan, Portfolio Roadmap, Portfolio Charter, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets
- B. Portfolio, Portfolio Roadmap, Portfolio Charter, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets
- C. Portfolio Strategic Plan, Portfolio Roadmap, Portfolio Charter, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets
- D. Portfolio Reports, Portfolio Roadmap, Portfolio Charter, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets

Answer: C (LEAVE A REPLY)

Explanation

The answer to this question is Portfolio Strategic Plan, Portfolio Roadmap, Portfolio Charter, Enterprise Environmental Factors, Organizational Process Assets, Portfolio Process Assets

NEW QUESTION: 99

Managing value is key to success as portfolio are undertaken to ultimately deliver an outcome that is strategically aligned and which delivers value to the organization. While managing value, the portfolio manager invokes the Benefits Realization Analysis activity. Which of the following is part of this activity?

- A. Assessing Changes, dependencies and impacts
- B. Indicating Resource bottlenecks and over or under allocations
- C. Allowing the portfolio's governing bodies to evaluate the expected net benefits of a given portfolio or portfolios to prioritize portfolio efforts
- D. All of the options

Answer: C ([LEAVE A REPLY](#))

Explanation

Benefits realization helps to ensure that the benefits of a given portfolio are clearly defined for the stakeholders; Documents benefits in such a way that they can be easily measured and evaluated during the course of managing the portfolio; Allows the portfolio's governing bodies to evaluate the expected net benefits of a given portfolio or portfolios to prioritize portfolio efforts. Finite Capacity Planning indicates Resource bottlenecks and over or under allocations. Investment analysis assess Changes, dependencies and impacts

NEW QUESTION: 100

A big strategic change occurred at the organization level and has impacted multiple portfolios in the organization including yours. The sponsor has asked you to analyze the change and update the needed documents. You managed this change and are currently updating the Portfolio Management Plan. Which of the following are part of this update

- A. Communication and Performance Management
- B. Stakeholder Engagement
- C. Portfolio Organizational Structure
- D. All of the options

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 101

You have finalized optimizing your portfolio and want to avoid any delay by directly recommending the initiation of multiple portfolio components. What do you need for starting this?

- A. Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Process Assets

- B.** Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Process Assets, Portfolio Strategic Plan
- C.** Portfolio Management Plan, Portfolio, Portfolio Reports
- D.** Portfolio Management Plan, Portfolio, Portfolio Reports, Portfolio Process Assets, Portfolio Roadmap

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 102

You have been recently assigned to a critical portfolio in your company and wanted to start right away and decided to begin with aligning the strategic management of the portfolio to the organizational strategy and objectives. For this you will use

- A.** Prioritization Analysis, Interdependency Analysis, Cost-Benefit Analysis
- B.** Strategic Alignment Analysis, Prioritization Analysis, Portfolio Component Inventory
- C.** Scenario Analysis, Capability & Capacity Analysis
- D.** Gap Analysis, Readiness Assessment, Stakeholder Analysis

Answer: B ([LEAVE A REPLY](#))

Explanation

The scenario targets the tools and techniques of the "Develop Portfolio Strategic Plan" process. The answer to this question is Strategic Alignment Analysis, Prioritization Analysis, Portfolio Component Inventory

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