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PMI PMI-002

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Topic Break Down

Topic	No. of Questions
Topic 1, Project Management Fundamentals and Core Concepts	435
Topic 2, Predictive, Plan-Based Methodologies	392
Topic 3, Agile Frameworks/Methodologies	3
Topic 4, Business Analysis Frameworks	16
Total	846

QUESTION NO: 1

Which of the following is not used to document team member roles and responsibilities ?

A. Text-oriented Format

B. Functional Chart

C. Hierarchical-type Organizational Chart

D. Matrix-based Responsibility Chart

ANSWER: B

Explanation:

Functional Chart is the correct response because PMI identifies three principal formats for documenting project roles and responsibilities: hierarchical-type charts, matrix-based charts, and text-oriented formats. A functional chart may depict an organization's functions or departments, but it is not one of PMI's defined formats for documenting the specific roles, authority, accountability, and responsibilities assigned to project team members and stakeholders.

Role-and-responsibility documentation supports clear ownership of project work. It may show reporting relationships and work packages through hierarchical displays; map work to accountable individuals or groups through matrix-based responsibility assignment matrices; or describe responsibilities in detailed narrative form using text-oriented formats. The selected response does not provide one of those PMI-recognized documentation approaches. Clear responsibility assignments are especially important for managing interfaces between people, departments, and deliverables, and for ensuring that project work has an identified owner. PMI's discussion of project resource management and responsibility assignment formats is available through the PMBOK® Guide and Standards page and the PMI responsibility assignment matrix resource.

QUESTION NO: 2

With triangular distribution, the low, likely and high values are 20, 30 and 40, respectively.

The mean is _____.

A. 30.0

B. 22.5

C. 25.0

D. 27.5

ANSWER: A

Explanation:

30.0 is correct. A triangular distribution is defined by three estimates: the lowest possible value, the most likely value (the mode), and the highest possible value. Its arithmetic mean, or expected value, is calculated by adding those three parameters and dividing the result by three: (low + most likely + high) / 3. Using the stated values gives (20 + 30 + 40) / 3 = 90 / 3 = 30. Therefore, the mean is 30.0.

This is the standard expected-value formula for a triangular probability distribution. In project work, three-point estimates provide a way to represent uncertainty when a single deterministic estimate would not adequately reflect the possible range of outcomes. Here, the values are symmetrically positioned around 30, so both the most likely value and the calculated mean are 30. The result should not be confused with the weighted mean used for a beta distribution in some PERT-related estimating approaches; the question specifically identifies a triangular distribution. See the triangular distribution's mean formula in the NIST/SEMATECH e-Handbook and PMI's overview of project estimation techniques.

QUESTION NO: 3

The Project Procurement Management includes:

A. Procurement planning

B. Solicitation planning

C. Solicitation

D. All of the above

ANSWER: D

Explanation:

“All of the above” is correct because procurement planning, solicitation planning, and solicitation are all activities historically included within Project Procurement Management. In earlier PMBOK® Guide editions, PMI described this knowledge area through processes such as Plan Purchases and Acquisitions, Plan Contracting, Request Seller Responses, Select Sellers, Contract Administration, and Contract Closure. Procurement planning established what goods or services should be obtained externally and documented the approach for doing so. Solicitation planning prepared the procurement documents and evaluation approach used to invite prospective sellers. Solicitation then involved obtaining responses, such as bids or proposals, from potential sellers. Together, these activities support the overall process of acquiring products, services, or results from outside the project team.

PMI’s current terminology has evolved: the PMBOK® Guide now generally frames procurement work as planning procurement management, conducting procurements, and controlling procurements. However, the underlying work represented by the terms in this question remains part of project procurement practice. PMI describes project procurement management as the processes necessary to purchase or acquire products, services, or results needed from outside the project team. See PMI’s PMBOK® Guide and Standards and its overview of project procurement management.

QUESTION NO: 4

Who has the responsibility for Plan Quality?

A. Project manager

B. QA manager

C. Project planner

D. Team 'ead

ANSWER: A

Explanation:

Project manager is correct because the project manager is accountable for ensuring that quality management is planned, integrated, and aligned with the project’s objectives, requirements, and stakeholder expectations. In PMI terminology, this work is addressed through the Plan Quality Management process, which establishes the quality standards applicable to the project and its deliverables and documents how compliance with those standards will be demonstrated. The project manager leads this planning effort, ensures that quality activities are incorporated into the overall project management plan, and coordinates relevant subject-matter experts, team members, customers, and organizational quality functions as needed. Although others can contribute expertise or perform quality-related work, the project manager retains responsibility for managing the project’s quality approach and for balancing quality requirements with scope, schedule, cost, resources, and risk. This accountability reflects the project manager’s broader role in integrating all project management activities and ensuring that planned processes support successful delivery of the intended outcomes. PMI describes quality management as planning, managing, and controlling quality requirements so that project and product needs are met; see PMI’s project quality management resource and PMI’s PMBOK Guide and Standards.

QUESTION NO: 5

Which of the following is best for handling cross-functional project needs for a large, complex project?

A. A strong matrix organization

B. A project coordinator

C. A project expediter

D. Direct executive involvement

ANSWER: A

Explanation:

A strong matrix organization is best suited to a large, complex project with substantial cross-functional needs because it combines functional specialization with significant project-management authority. Team members can remain connected to their functional departments, preserving access to subject-matter expertise, technical standards, and departmental resource pools, while the project manager has enough authority to integrate work across those departments, coordinate dependencies, assign priorities, and drive timely decisions.

This structure is especially useful when project deliverables require sustained collaboration among multiple disciplines and when the project manager must actively manage budget, schedule, resources, and trade-offs. The stronger project orientation helps create a unified focus on the project's objectives without losing the benefits of functional expertise. PMI describes organizational structures as an enterprise environmental factor that affects the project manager's authority, resource availability, and management approach. A strong matrix provides a practical balance for complex initiatives that need both functional depth and robust cross-functional coordination. See PMI's Project Management Lexicon and the PMBOK Guide and Standards for PMI's organizational-structure terminology and guidance.

QUESTION NO: 6

Which of the following best describes a sub network?

A. Fragment Network

B. ADM

C. PDM

D. A0N

ANSWER: A

Explanation:

A fragment network is the correct description of a subnetwork. In project schedule network-diagram terminology, a subnetwork is a smaller, logically connected portion of the overall project schedule network diagram. It isolates a group of related activities so that planners and stakeholders can examine, develop, communicate, or manage that portion of the work without having to view the entire project network at once. This is especially useful for large or complex projects, where a detailed schedule can contain many interdependent activities and relationships.

The fragment network retains the sequencing logic relevant to the selected section of work and can show how that section interfaces with predecessor or successor activities elsewhere in the overall network. It therefore supports schedule development, analysis, and communication while remaining part of the integrated project schedule. PMI's terminology resources provide the standard vocabulary used in project management, including schedule-network concepts; see the PMI Lexicon of Project Management Terms. PMI also describes its standards and guidance for schedule-related practices at PMI Standards.

QUESTION NO: 7

A Trend Analysis is best described as:

A. Examining project performance over time

B. Calculating Earned Value

C. Calculating Cost Variance

D. Analyzing performance of similar projects over time

ANSWER: A

Explanation:

Examining project performance over time is the correct description of trend analysis. In project management, trend analysis evaluates performance information collected at multiple points in time to identify the direction and rate of change in project results. A project team may plot actual cost, schedule progress, defect counts, risk exposure, or other performance measures across reporting periods. The resulting pattern helps the project manager recognize whether performance is improving, declining, or remaining stable and supports forecasting future outcomes if the observed pattern continues.

PMI uses trend analysis as a data-analysis technique within monitoring and controlling work. It is particularly useful because a single measurement is only a snapshot, whereas a sequence of measurements provides context about developing conditions and can reveal emerging issues early enough for corrective action. For example, reviewing schedule performance trends over several status periods can help forecast whether the project is likely to meet its planned completion date. This use aligns with PMI's emphasis on using performance data and analysis to support informed project decisions. See PMI's PMBOK® Guide and Standards and its overview of earned value project management.

QUESTION NO: 8

The responsibility assignment matrix is a project management tool used to _____.

A. Ensure team members understand their specific roles.

B. Develop the work breakdown structure based on available resources.

C. Establish project members availability to work on the project.

D. Depict the project's organizational structure.

ANSWER: A

Explanation:

The responsibility assignment matrix is used to ensure team members understand their specific roles. It maps project work, often at the work-package or activity level, to the people or roles responsible for performing, approving, supporting, or being consulted or informed about that work. This makes ownership explicit and helps the project manager communicate who is expected to do what across the project.

A common responsibility assignment matrix format is a RACI chart, which identifies the role that is Responsible for completing work, Accountable for its outcome, Consulted for input, and Informed of progress or decisions. PMI describes the responsibility assignment matrix as a hierarchical chart that shows project resources assigned to each work package, thereby connecting the scope of work with the organizational roles that carry it out. Clear role assignment supports coordination, reduces ambiguity, and provides a practical basis for managing team accountability throughout delivery.

See PMI's overview of project-management standards and resources at PMI Standards and PMBOK® Guide and its discussion of responsibility assignment matrices at PMI: Responsibility Assignment Matrix.

QUESTION NO: 9

At what point in a project do you have the highest probability that it will fail?

A. The beginning of the project

B. Just before the end of the project

C. QA Phase

D. Execution phase

ANSWER: A

Explanation:

The beginning of the project is correct because uncertainty and risk exposure are greatest before the project team has fully validated the scope, requirements, assumptions, estimates, resources, stakeholder expectations, and technical approach. At this point, the team has the least detailed information on which to base decisions, while many consequential choices—such as the delivery approach, architecture, budget, schedule, and governance—are being established. Unresolved threats can therefore have a substantial effect on whether the project achieves its objectives. As work progresses, progressive elaboration, risk responses, stakeholder engagement, and performance information generally reduce uncertainty and provide greater confidence in the project's ability to succeed. This principle is commonly illustrated by the project life-cycle pattern in which risk and uncertainty are highest near initiation and decline over time, while the cost of changes tends to rise. Project managers should consequently identify risks early, analyze their likelihood and impact, assign owners, plan responses, and review risks throughout the project. PMI's foundational standards describe the importance of managing uncertainty and tailoring project work to the project context; PMI's risk-management guidance further supports early, proactive risk management. See the PMBOK® Guide and Standards and PMI's Risk Management practice guidance.

QUESTION NO: 10

What is the difference between a Verify Scope process and quality control?

A. There is no difference.

B. Verify Scope is primarily concerned with the correctness of work results while quality control is primarily concerned with the acceptance of work results.

C. Verify Scope is concerned with ensuring that changes are beneficial while quality control is concerned that the overall work results are correct.

D. Verify Scope is primarily concerned with the acceptance of work results while quality control is primarily concerned with the correctness of work results.

ANSWER: D

Explanation:

Verify Scope is primarily concerned with the acceptance of work results while quality control is primarily concerned with the correctness of work results. In terminology used by earlier PMI editions, Verify Scope was the process of formalizing acceptance of completed project deliverables. In the current PMBOK terminology, this is represented by the Validate Scope process. It involves reviewing completed, verified deliverables with the customer or sponsor and obtaining formal acceptance. Quality control, now represented by the Control Quality process, evaluates deliverables against applicable quality requirements and quality-control measurements to determine whether they meet the specified standards. Therefore, quality control establishes whether the result is correct and conforms to requirements; scope validation addresses whether the customer or sponsor accepts that completed result. Quality control commonly occurs before scope validation because a deliverable should be checked for conformance before it is presented for formal acceptance. This distinction is important: a technically conforming deliverable still requires stakeholder acceptance under the agreed scope baseline and acceptance criteria. PMI's process descriptions distinguish Control Quality's focus on assessing quality performance from Validate Scope's focus on formal acceptance of completed deliverables. See the PMBOK® Guide and Standards and PMI's guidance on validating scope and deliverable acceptance.

QUESTION NO: 11

As a project manager, you know that the most important activity to ensure customer and stakeholder satisfaction is which of the following?

A. Documenting and meeting the requirements

B. Reporting project status regularly and in a timely manner

C. Documenting and meeting the performance measurements

D. Reporting changes and updating the project plan and other project documents where appropriate

ANSWER: A

Explanation:

Documenting and meeting the requirements is correct because requirements define the capabilities, conditions, and quality expectations that the project's deliverable must fulfill to create value for customers and stakeholders. The project manager works with relevant stakeholders to elicit, analyze, prioritize, document, validate, and manage these requirements throughout the project life cycle. Clear, approved requirements establish a shared basis for planning scope, defining acceptance criteria, designing deliverables, and verifying that completed work is fit for acceptance.

Meeting requirements is especially central to satisfaction because it connects project execution to the needs that justified the project. Requirements documentation also supports traceability: each deliverable and acceptance result can be linked back to an agreed stakeholder need. This helps the team demonstrate that the delivered product, service, or result conforms to the approved scope and quality expectations. PMI's standards emphasize requirements as a core basis for scope definition and product acceptance, while its project-management vocabulary defines requirements in terms of conditions or capabilities needed by stakeholders. See the PMBOK® Guide and Standards and the PMI Lexicon of Project Management Terms.

QUESTION NO: 12

Project Risk Management includes all of the following processes EXCEPT _____.

A. Plan Risk Management

B. Identify Risks

C. Risk Analysis

D. Plan Risk Responses

ANSWER: C

Explanation:

Risk Analysis is correct because it is not the formal name of a distinct Project Risk Management process in PMI's process-based framework. PMI identifies specific risk-analysis processes as *Perform Qualitative Risk Analysis* and *Perform Quantitative Risk Analysis*, rather than using the generic title "Risk Analysis" as a standalone process. Qualitative analysis prioritizes identified risks by assessing their probability and impact, while quantitative analysis numerically evaluates the combined effect of risks on project objectives when appropriate. The question asks for the item that is not included as a named process, so the broad, nonstandard label is the appropriate selection. PMI's risk-management approach also recognizes the importance of planning how risk will be managed, identifying individual and overall project risks, developing responses, implementing those responses, and monitoring risks throughout the project. These activities support proactive management of threats and opportunities and help improve the likelihood of achieving project objectives. See PMI's overview of project risk management practices and its PMBOK® Guide and Standards resources.

QUESTION NO: 13

The closing process scope includes:

A. Contract closeout

B. Final reporting

C. Activity List

D. Exit interview

ANSWER: A

Explanation:

Contract closeout is included in project closing because the project manager must formally conclude all procurement-related obligations before the project or phase can be considered fully closed. This work includes confirming that contracted deliverables have been accepted, ensuring that each party has met its contractual responsibilities, resolving any remaining claims or administrative matters, and retaining the relevant procurement records. Formal contract closure creates an auditable record that the buyer and seller relationship has been completed in accordance with the agreement and organizational procedures.

PMI's traditional process-group guidance treats the completion of procurement commitments as an essential part of closing a project or phase. Although current PMI standards emphasize tailoring and describe project work through principles and performance domains rather than prescribing one universal sequence of processes, formally completing contractual commitments remains a sound project-management practice. It supports orderly handover, organizational knowledge retention, and clear accountability at the end of the work. See PMI's overview of PMBOK® Guide and Standards and its guidance on project procurement management and contracts.

QUESTION NO: 14

An input of the Collect Requirements process is a/an:

A. Project Charter

B. Project schedule

C. Strategic plan

D. Historical information

ANSWER: A

Explanation:

Project Charter is an input to the Collect Requirements process. The charter formally authorizes the project and gives the project manager essential high-level context for requirements work, including the project purpose, measurable objectives, high-level requirements, assumptions, constraints, key stakeholders, and approval requirements. This information helps the project team understand the intended business need and boundaries before eliciting, analyzing, documenting, and validating detailed stakeholder and product requirements.

Collect Requirements is performed to determine, document, and manage stakeholder needs and expectations so that they can be translated into a sound basis for the project scope and product scope. Using the Project Charter ensures that the requirements gathered remain aligned with the project's original authorization and the value it is intended to deliver. As requirements are collected through techniques such as interviews, workshops, surveys, and prototypes, the charter provides a reference point for maintaining that alignment and recognizing constraints that affect what can be delivered.

PMI identifies the Project Charter as a key foundational project document and describes its authorization role in the PMBOK® Guide and Standards. PMI's Project Management Lexicon also provides standardized terminology for project-management documents and processes.

QUESTION NO: 15

_____ is always the lowest risk for the buyer if the scope of work is not well defined.

A. Cost plus incentive fee

B. F'xed P|ice

C. Time and material

D. "'s^ 's nc* 'elated to price

ANSWER: A

Explanation:

Cost plus incentive fee is the best answer because an unclear scope requires a contract structure that can accommodate uncertainty while still giving the buyer meaningful cost control. In a cost-plus-incentive-fee arrangement, the buyer reimburses allowable project costs, then adjusts the seller's fee according to a pre-agreed incentive formula tied to cost performance. The parties establish target cost, target fee, sharing ratios, and typically a ceiling price. These terms give the seller a direct financial incentive to control costs and share savings, while the ceiling limits the buyer's maximum financial exposure. This balance is particularly useful when the work cannot be specified precisely enough at the outset to support a reliable fixed commitment.

PMI's procurement guidance describes cost-reimbursable contracts as appropriate when the scope cannot be sufficiently defined and notes that incentive-fee provisions align seller performance with the buyer's cost objectives. The incentive mechanism and ceiling make a cost plus incentive fee contract a comparatively lower-risk cost-reimbursable choice for the buyer under scope uncertainty. See PMI's overview of procurement contract types and risk and the PMBOK® Guide and Standards resources.

QUESTION NO: 16

During the planning phase of your project, your project team members have discovered another way to complete a portion of the project scope. This method is safer for the project team, but may cost more for the customer. This is an example of _____.

A. Alternative identification

B. "'s^ assessment

C. Alternative selection

D. Product analysis

ANSWER: A

Explanation:

Alternative identification is correct because the team has recognized a different feasible approach for accomplishing part of the defined project scope. This planning activity involves generating and examining possible ways to perform the work, often so the team can compare implications such as safety, cost, quality, schedule, technical feasibility, and stakeholder impact before deciding how the work should proceed. In this scenario, the newly discovered method is distinguished by a meaningful trade-off: it improves team safety but could increase the customer's cost. Identifying that approach and its trade-off is precisely the purpose of alternative identification; a final decision about whether to use it is not required for the activity to occur. PMI scope-management practices emphasize planning the work needed to deliver project requirements and evaluating viable approaches for producing the intended deliverable. Considering alternatives early helps the project team make informed choices, document assumptions and constraints, and align the selected approach with stakeholder priorities. See PMI's overview of the PMBOK® Guide and Standards and PMI's Lexicon of Project Management Terms.

QUESTION NO: 17

Estimated at Completion is determined by which of the following?

A. ETC + ACWP

B. BAC"ETC

C. BAC/CPI

D. Both A and c

ANSWER: D

Explanation:

Estimated at Completion (EAC) is an earned value management forecasting measure that represents the project's expected total cost when all work is complete. It can be determined using more than one valid formula, depending on the forecasting assumption. The calculation *ETC + ACWP* is valid because EAC equals actual costs incurred to date plus the estimate to complete the remaining work. ACWP, an older earned value term, corresponds to Actual Cost (AC). Thus, this formula combines the amount already spent with the expected cost of unfinished work.

The calculation *BAC/CPI* is also a valid EAC forecast when the current cost performance index is expected to continue for the rest of the project. BAC is the approved total budget, and CPI indicates the cost efficiency achieved to date. Dividing BAC by CPI projects the final cost using that continuing efficiency assumption. Therefore, the combined response identifying both *ETC + ACWP* and *BAC/CPI* is correct. PMI recognizes EAC as a forecast of total project cost and supports selecting the forecasting formula that reflects the project's expected future performance. See PMI's Lexicon of Project Management Terms and its Earned Value Management standards resources.

QUESTION NO: 18

Which of the following statements regarding configuration management system is least true?

A. Configuration management systems establish a method to consistently identify and request changes to established baselines.

B. Configuration management systems provide mechanisms to communicate changes to all stakeholders.

C. Configuration management systems provide mechanisms to manage risk and implement risk response activities.

D. Configuration management systems provide opportunities to improve project by considering impact of changes.

ANSWER: C

Explanation:

"Configuration management systems provide mechanisms to manage risk and implement risk response activities" is the least true statement. A configuration management system is concerned with maintaining the integrity of project products, documents, requirements, and other configuration items. It supports identifying configuration items and approved baselines, submitting and evaluating change requests, recording the status of changes, maintaining version information, and verifying that approved changes have been implemented correctly. These controls allow the project team to understand the effect of a proposed change on the approved project configuration before that change is authorized and incorporated.

Risk management is a separate project-management discipline. It involves identifying uncertainty, analyzing probability and impact, planning risk responses, assigning risk owners, and monitoring risks and response effectiveness. Although a proposed configuration change can be evaluated for risk-related impacts, and a risk response may result in a change request, the configuration management system itself does not manage the project's risks or execute risk responses. Its role is to control the configuration and traceability of approved changes that may arise from risk work or any other project activity. PMI's standards resources describe configuration management as a change-control and product-integrity capability; see the PMI Lexicon of Project Management Terms and PMI's Standards and Publications page.

QUESTION NO: 19

Which of the following can generate a milestone list?

A. Define Activities

B. Sequence Activities

C. Estimate Activity Resources

D. Estimate Activity Durations

ANSWER: A

Explanation:

Define Activities is correct because this process identifies and documents the specific schedule activities needed to produce the project deliverables. In the predictive scheduling approach reflected in the PMBOK Guide process framework, its outputs include the activity list, activity attributes, and the milestone list. A milestone list identifies significant points or events in the project, such as approval gates, completion of a major deliverable, or contractual dates. It also indicates whether each milestone is mandatory or optional. Creating this list while activities are being defined gives the project team a clear set of key schedule markers before detailed logical relationships and duration estimates are developed. These milestones subsequently help with schedule development, monitoring, reporting, and stakeholder communication because they provide recognizable indicators of progress and important decision points. PMI describes schedule management processes and their relationships in its Process Groups: A Practice Guide. PMI's Lexicon of Project Management Terms also provides standardized terminology for project-management concepts, including schedule-related terms.

QUESTION NO: 20

The activity that is most concerned with the current status of the project schedule is called

_____.

A. Project time management

B. Control Schedule

C. Monitoring and controlling

D. Al1 of the above

ANSWER: B

Explanation:

Control Schedule is the project management activity concerned with determining and managing the project schedule's current condition. It involves monitoring schedule performance against the approved schedule baseline, identifying actual progress and variances, forecasting future schedule performance, and managing changes that affect planned dates. In practice, the project team gathers work-performance data such as actual start and finish dates, remaining durations, and completed activities, then compares that information with the schedule plan to understand the current status of the work.

This process also supports timely action when the schedule is trending away from its target. The project manager can assess the impact of changes, update schedule forecasts as appropriate, and use approved corrective actions to keep delivery aligned with project objectives. PMI describes schedule control as part of the broader discipline of managing project work through ongoing measurement, analysis, and adjustment. The terminology is particularly associated with the traditional PMI schedule management process framework, in which Control Schedule is the process used to monitor project status and manage updates to the schedule baseline. See PMI's PMBOK® Guide and Standards resources and its CAPM certification overview.

QUESTION NO: 21

Which of the following are not functions of the project kick off meeting?

A. Identifying project goals

B. Obtaining commitment

C. Presenting the project cost

D. Introducing the stakeholders

ANSWER: C

Explanation:

Presenting the project cost is not ordinarily a core function of a project kickoff meeting. A kickoff is primarily an alignment and engagement event: it establishes a common understanding of the project's purpose, expected outcomes, ways of working, key participants, initial responsibilities, and immediate next steps. Its value is in creating shared commitment and ensuring that the people involved begin with a consistent view of what the project is intended to accomplish.

Cost information may be communicated when it is relevant to stakeholders, but a detailed presentation or discussion of project cost is not the defining purpose of the kickoff. Funding authorization and high-level budget information are generally established earlier through the project charter and are progressively refined through project planning and cost-management work. PMI describes the charter as the document that formally authorizes a project and gives the project manager authority to apply resources. This supports treating budget matters as governance and planning information rather than the central activity of a kickoff meeting. See PMI's guidance on project charters and its PMBOK Guide standards overview.

QUESTION NO: 22

Which of the following is an output of Define Scope?

A. PBS

B. Project Scope statement

C. WBS Template

D. Constraints

ANSWER: B

Explanation:

Project Scope statement is the correct output of the Define Scope process. Define Scope develops a detailed description of the project and product scope using the scope management plan, project charter, requirements documentation, assumptions, constraints, and stakeholder information. Its principal result is the project scope statement, which documents the project's boundaries and provides a common understanding of what work and deliverables are included. It typically describes the product scope, project deliverables, acceptance criteria, exclusions, and relevant assumptions and constraints. This documented scope becomes a key basis for subsequent scope planning and decomposition of the authorized work into a work breakdown structure. Clear definition at this point supports effective stakeholder expectations, enables later validation of completed deliverables, and establishes a reference for controlling scope changes throughout the project. PMI identifies scope as the work required to deliver a product, service, or result with the specified features and functions; defining that work in sufficient detail is therefore central to disciplined project scope management. See PMI's project scope management guidance and the PMBOK Guide and Standards.

QUESTION NO: 23

A work breakdown structure is a _____.

A. Result of the Collect Requirements process

B. Deliverable oriented grouping of project elements that organizes and defines the total scope of the project

C. Structure that can be used to track the project's time, cost, and quality performance against a defined baseline

D. Valuable communications tool, but cannot be used to establish the number of required networks for Control Costs

ANSWER: B

Explanation:

A work breakdown structure is correctly described as a deliverable-oriented grouping of project elements that organizes and defines the total scope of the project. Its purpose is to break the project's overall scope into smaller, manageable components, allowing the team to understand what must be delivered and how the complete body of work is organized. The

WBS represents the project scope through a hierarchical decomposition, progressing from the overall project to major deliverables and, as needed, to lower-level components called work packages. Work packages provide a practical level at which project work can be estimated, assigned, scheduled, monitored, and controlled.

PMI's terminology emphasizes that the WBS is scope-focused and deliverable-oriented: it captures all work required to complete the project and only that work. This comprehensive organization supports planning across multiple knowledge areas because estimates, schedules, resources, risks, and costs can be developed from the defined scope. The WBS is also a foundational part of the scope baseline, together with the project scope statement and WBS dictionary. See PMI's Project Management Lexicon and its standards and framework resources.

QUESTION NO: 24

The sender is responsible for _____.

A. Confirming that the message is understood

B. Ensuring that the receiver agrees with the message

C. Scheduling communication exchange

D. Presenting the message in the most agreeable manner

ANSWER: A

Explanation:

Confirming that the message is understood is correct because effective project communication is not complete simply when a sender transmits information. The sender must encode the message clearly and completely, select an appropriate communication method, and seek feedback or acknowledgement that verifies the recipient interpreted the message as intended. This confirmation closes the communication loop and helps prevent misunderstandings that can lead to incorrect work, unaddressed risks, delayed decisions, or stakeholder misalignment.

In a project environment, confirmation may be obtained through a response, a read-back, questions and answers, meeting minutes, approval, or another feedback mechanism suited to the communication channel and the importance of the information. The sender remains accountable for making the communication understandable to its intended audience rather than assuming that sending an email, posting a report, or delivering a presentation alone establishes shared understanding. This reflects PMI's treatment of communication as a process involving encoding, transmission, receipt, decoding, and feedback. See PMI's overview of the PMBOK® Guide and standards and its communication resources.

QUESTION NO: 25

Which of the following is part of the expectancy theory of motivation?

A. Clear, specific, and challenging goals generally motivate team members

B. Project managers should ensure that tasks assigned to project participants match their skills and the organizational climate is conducive to helping them meet their needs and achieving a sense of competence

C. People tend to be highly productive and motivated if they believe their efforts will lead to successful results and that success will lead to personal rewards

D. None of the above

ANSWER: C

Explanation:

People tend to be highly productive and motivated if they believe their efforts will lead to successful results and that success will lead to personal rewards. This statement directly reflects Vroom's expectancy theory, which explains motivation as a person's belief that effort can produce the required level of performance (expectancy), that performance will produce an outcome or reward (instrumentality), and that the outcome is personally valued (valence). In a project setting, a team

member is more likely to apply sustained effort when they believe they have the capability, resources, and clarity needed to complete the work successfully; trust that successful performance will be recognized or rewarded; and value the resulting reward, such as recognition, development, autonomy, or compensation. The project manager can support these beliefs by setting achievable performance expectations, removing impediments, providing feedback, and connecting good performance to meaningful outcomes. This is consistent with PMI's emphasis on tailoring leadership and motivational approaches to individual and team needs. For an overview of the theory and its effort-performance-outcome relationship, see Simply Psychology's explanation of expectancy theory. PMI also discusses leadership and team-related capabilities within its project leadership resources.

QUESTION NO: 26

A histogram ordered by frequency of occurrence that shows how many results were generated by each identified cause is _____.

A. Statistical Histogram

B. Juran Histogram

C. Fishbone Diagram

D. Pareto Diagram

ANSWER: D

Explanation:

Pareto Diagram is correct because it is a specialized bar chart that organizes categories of causes, defects, or other results in descending order of their frequency or impact. This ordering makes the most frequently occurring causes immediately visible and helps the project team focus quality-improvement effort where it is likely to produce the greatest benefit. In a project quality context, the team can collect data about defects or outcomes, group the data by identified cause or category, and display the counts in a Pareto diagram. The tallest bars identify the categories producing the largest number of results.

This tool is based on the Pareto principle, commonly summarized as the idea that a relatively small number of causes can account for a large share of effects. A cumulative-percentage line is often included to show how much of the total is represented as categories are added from highest to lowest frequency. PMI quality-management practice uses this type of visual analysis to prioritize problem-solving and corrective-action efforts using objective data. The American Society for Quality describes a Pareto chart as a bar graph whose bars are arranged from greatest to least frequency, while NIST explains its role in identifying the most significant sources of a problem. See ASQ's Pareto chart resource and NIST's Pareto chart guidance.

QUESTION NO: 27

When Identify Risks should be performed?

A. During Concept Phase

B. During Development Phase

C. During Implementation Phase

D. Identify Risks should be performed on a regular basis throughout the project

ANSWER: D

Explanation:

Identify Risks should be performed on a regular basis throughout the project is correct because project risk management is iterative, not a one-time activity. Risks can emerge, change, or cease to be relevant as the project progresses; for example, changes to scope, schedules, resources, suppliers, technical assumptions, stakeholder expectations, or external conditions may introduce new uncertainty. The project team therefore identifies individual project

risks and sources of overall project risk repeatedly during the project life cycle. This ongoing practice enables the team to document newly discovered risks in the risk register, reassess existing risks, assign appropriate risk owners, and ensure that planned responses remain appropriate to current project conditions. PMI's project management guidance treats risk work as continuous and integrated with activities such as planning, monitoring, managing changes, and stakeholder engagement. Performing identification regularly supports timely decision-making and helps preserve project objectives when conditions evolve. See PMI's overview of project risk management practices and the PMBOK® Guide and Standards resource page.

QUESTION NO: 28

Your project has a budget of $240,000 and is expect to last for 1 year, with the work and budget spread evenly across all months. The project is now in the fourth month, the work is on schedule, but you have spent $120,000 of the project budget. What is your COST

Variance percentage in this case?

A. -50%

B. 50%

C. 40%

D. 20%

ANSWER: A

Explanation:

-50% is correct. At the end of month four, the planned budget is $240,000 ÷ 12 × 4 = $80,000. Because the work is on schedule, the earned value is also $80,000: the project has completed exactly the amount of work planned by this date. Actual cost, however, is $120,000. PMI earned value management defines cost variance as CV = EV − AC, so the cost variance is $80,000 − $120,000 = −$40,000. A negative cost variance indicates that the project has spent more than the value of work accomplished.

Cost variance percentage is calculated as CV ÷ EV × 100. Therefore, −$40,000 ÷ $80,000 × 100 = −50%. The negative sign is essential because it communicates an unfavorable cost condition: costs are 50% higher than the earned value of the completed work at this point in time. The evenly distributed budget and confirmation that work is on schedule establish the planned and earned values needed for the calculation. PMI's terminology for earned value measures is available in its PMI Lexicon of Project Management Terms, and PMI provides further earned value resources through its earned value management guidance.

QUESTION NO: 29

Technical staffs tend to be particularly responsive to _____.

A. Referent power

B. Formal power

C. Functional power

D. Expert power

ANSWER: D

Explanation:

Technical staffs tend to be particularly responsive to **Expert power**. This form of power arises from a person's recognized knowledge, technical competence, experience, or specialized skill. In project environments, technical professionals commonly assess direction and influence according to the credibility of the person providing it. A project manager or team member who understands the technical work, asks informed questions, and demonstrates sound judgment can therefore gain commitment and influence without relying primarily on organizational authority.

PMI's leadership approach emphasizes adapting one's style and influence to the people and situation involved. For technical specialists, demonstrated expertise supports trust in decisions, recommendations, and problem-solving approaches. Expert power is especially useful in cross-functional project teams, where the project manager may have limited direct authority but must still guide work through credibility, collaboration, and informed communication. This aligns with CAPM expectations concerning leadership, stakeholder engagement, and effective team interaction. See PMI's CAPM certification overview and its discussion of leadership, influence, and power.

QUESTION NO: 30

PMI discusses procurement focusing on the _____ relationship.

A. Buyer or seller

B. Vendor or seller

C. Purchasing

D. Sellino-

ANSWER: A

Explanation:

Buyer or seller is correct because PMI frames project procurement management around the contractual relationship between the acquiring organization and the external provider. The project team may act as the buyer (also called the client, customer, or purchaser) when it obtains products, services, or results from outside the organization. Conversely, the external party providing those deliverables acts as the seller (also called a vendor, supplier, contractor, or service provider). This buyer–seller perspective is important because it establishes the parties' contractual roles, responsibilities, obligations, and expectations throughout procurement planning, solicitation, source selection, contract administration, and closure. PMI's terminology recognizes that the project's organization can be either side of a procurement, depending on the context; however, the fundamental relationship remains buyer and seller. Understanding this relationship helps a CAPM candidate correctly interpret procurement questions involving agreements, statements of work, bidding, contract types, and managing supplier performance. PMI describes Project Procurement Management as the processes required to purchase or acquire products, services, or results needed from outside the project team, and its standards use buyer and seller roles when discussing contracts and procurements. See PMI's PMBOK® Guide and Standards and PMI's CAPM certification overview.

QUESTION NO: 31

As a CAPM, you will be required to comply with the CAPM Code of Professional Conduct.

This code refers to all of the following except which one?

A. Reporting conflicts of interest

B. Complying with the stakeholder requirements

C. Reporting experience and CAPM status truthfully

D. Complying with the rules and standards of foreign countries

ANSWER: B

Explanation:

Complying with the stakeholder requirements is the exception because stakeholder requirements are project-specific needs, expectations, conditions, and acceptance criteria that must be elicited, analyzed, documented, managed, and validated as part of project work. They help define what the project must deliver and provide a basis for evaluating whether deliverables and outcomes are acceptable. They are not, however, a professional-conduct obligation that applies uniformly to every PMI certification holder.

PMI's ethical framework establishes universal behavioral standards for practitioners, centered on responsibility, respect, fairness, and honesty. Its application includes acting truthfully, disclosing actual or potential conflicts of interest, and complying with applicable laws, regulations, and organizational or professional obligations. These commitments govern how a CAPM credential holder behaves while performing professional activities, regardless of the particular project's scope or stakeholder set. In contrast, the specific requirements of stakeholders vary from one project, product, organization, and jurisdiction to another; they belong in project requirements and stakeholder-management practices rather than the code of ethics itself. PMI describes these standards in its Code of Ethics and Professional Conduct and explains the credential's professional expectations in the CAPM certification information.

QUESTION NO: 32

A project is defined as _____.

A. A process of considerable scope that implements a plan

B. An endeavour, which is planned, executed, and controlled, performed by people and constrained by limited resources

C. A temporary endeavour undertaken to create a unique product or service

D. An objective based effort of temporary nature

ANSWER: C

Explanation:

A project is correctly defined as "a temporary endeavour undertaken to create a unique product or service." This definition captures the two essential characteristics tested in CAPM questions: temporary and unique. Temporary means the work has a defined beginning and end; it does not mean that the resulting product, service, or result must itself be short-lived. Unique means the project produces a distinct outcome, even when similar projects have been performed before. For example, constructing a particular facility, implementing a specific system, or developing a new service offering can each be a project because the work is undertaken for a defined period to deliver a particular result. PMI's current terminology uses "temporary endeavor undertaken to create a unique product, service, or result," with "result" making the definition more complete. The selected wording is therefore the closest available answer and accurately states the core PMI definition. This concept distinguishes projects from ongoing operations, which are repetitive and sustained activities rather than time-bounded efforts created to deliver a unique outcome. See PMI's What Is Project Management? overview and the PMBOK® Guide and Standards resources.

QUESTION NO: 33

Which document is best suited for tracking the assignment of all resources to specific tasks in a project?

A. RACI mAl,x

B. sow

C. Staffing management plan D)0 CPI

ANSWER: A

Explanation:

The RACI matrix is best suited to tracking resource assignments because it is a responsibility assignment matrix that explicitly connects project work to the people or roles involved. For each task, activity, work package, or decision, it identifies who is *Responsible* for doing the work, who is *Accountable* for the outcome, who must be *Consulted*, and who must be kept *Informed*. This task-by-task structure gives the project manager a clear, usable view of ownership and participation across the project.

PMI describes responsibility assignment matrices as a way to show project resources assigned to work packages or activities. A RACI matrix is a widely used format of this matrix and is particularly useful for preventing unclear ownership, duplicated effort, and missed communications. It can be maintained as assignments evolve and used to confirm that each

task has appropriate responsibility and accountability. This directly supports tracking which resources are assigned to specific project tasks. See PMI's PMBOK® Guide and Standards and PMI's guidance on responsibility assignment matrices.

QUESTION NO: 34

Monte Carlo analysis is a form of what type of analysis?

A. Critical path method

B. Schedule compression

C. What if scenario analysis

D. Resource leveling

ANSWER: C

Explanation:

Monte Carlo analysis is a form of **what-if scenario analysis**. It evaluates uncertainty by repeatedly running a model with randomly selected values drawn from probability distributions for uncertain inputs, such as activity durations, costs, or risk impacts. Each simulation run represents one plausible project scenario. After many iterations, the results form a probability distribution of possible outcomes—for example, the likelihood of completing a project by a specified date or within a target budget.

This makes Monte Carlo analysis especially useful in quantitative risk analysis because it does not rely on a single deterministic estimate. Instead, it allows the project team to explore how simultaneous variation in multiple uncertain factors may affect an objective. The resulting information supports risk-informed decisions, including setting realistic contingency reserves and communicating confidence levels for schedule or cost targets. PMI's terminology describes simulation as analyzing a model's behavior under varying inputs, and Monte Carlo simulation is the common technique used to conduct that type of probabilistic what-if evaluation. See the PMI Lexicon of Project Management Terms and NASA's Probabilistic Risk Assessment Procedures Guide for further context on simulation-based risk analysis.

QUESTION NO: 35

A contingency plan is _____.

A. A planned response that defines the steps to be taken, if an identified risk event should occur

B. A workaround

C. A reserve used to allow for future situations which may be planned for only in part

D. All of the above

ANSWER: A

Explanation:

A contingency plan is a planned response that defines the steps to be taken if an identified risk event occurs. In project risk management, the team identifies risks in advance, assesses their potential effect, and plans appropriate responses. For risks that require an active response, the contingency plan documents the actions to implement when the defined risk trigger or event occurs. This preparation enables the project team to respond promptly and consistently rather than creating a response under pressure after the event has already affected project objectives.

The plan should be practical and sufficiently specific to guide execution: it can identify responsible individuals, required actions, resources, timing, escalation paths, and the conditions that trigger its use. It is part of proactive risk planning and supports management of threats to scope, schedule, cost, quality, and other project objectives. PMI describes risk management as including planning risk responses and implementing those responses; a contingency plan is a key mechanism for carrying out a preplanned response when the relevant risk materializes. See the PMI Lexicon of Project Management Terms and PMI's overview of the Practice Standard for Project Risk Management.

QUESTION NO: 36

When a risk should be avoided?

A. The risk event has a low probability of occurrence and low impact.

B. The risk event is unacceptable - generally one with a very high probability of occurrence and high impact.

C. It can be transferred by purchasing insurance.

D. A risk event can never be avoided.

ANSWER: B

Explanation:

The risk event is unacceptable - generally one with a very high probability of occurrence and high impact. Risk avoidance is an appropriate threat response when the project team determines that the threat is outside the project's risk tolerance or has an unacceptable potential effect on objectives such as scope, schedule, cost, quality, or safety. Avoidance does not merely reduce the likelihood or impact; it removes the threat or protects the project from its effect. Depending on the situation, this can involve changing the project management plan, changing scope or requirements, selecting a different technical approach, revising the schedule, changing suppliers, or deciding not to undertake the risky activity at all. A risk with both high probability and high impact is commonly a strong candidate for this response because its expected exposure may exceed what the sponsor or organization is willing to accept. The response should be selected based on the project's documented risk appetite, thresholds, and the feasibility of eliminating the source or changing the conditions that create the threat. PMI describes avoid as a strategy used to eliminate a threat or protect the project from its impact. See PMI's PMBOK Guide and Standards and PMI's project risk management resources.

QUESTION NO: 37

Which of the following is true regarding IRR?

A. IRR is a constrained optimization method.

B. IRR assumes reinvestment at the cost of capital.

C. IRR is the discount rate when NPV is greater than zero.

D. IRR is the discount rate when NPV is equal to zero.

ANSWER: D

Explanation:

IRR is the discount rate when NPV is equal to zero. The internal rate of return is a capital-budgeting metric that identifies the rate at which the present value of expected cash inflows exactly equals the present value of cash outflows. Put another way, when a project's cash flows are discounted using its IRR, the resulting net present value is zero. Project teams and organizations use IRR to help evaluate the expected financial attractiveness of an investment or project, often comparing it with a required rate of return or hurdle rate as part of a broader selection decision. This definition is also consistent with the standard mathematical calculation: IRR is the rate that solves the NPV equation at zero. In practical project evaluation, the metric should be interpreted in the context of assumptions, cash-flow timing, risk, and organizational financial criteria rather than used in isolation. The U.S. Securities and Exchange Commission defines IRR as the discount rate at which an investment's net present value is zero. See the SEC definition of internal rate of return and the Corporate Finance Institute overview of IRR.

QUESTION NO: 38

You are project manager of a project and you are offering an estimate that you know will be changed after the contract is signed is _____.

A. Bad practice

B. Unprofessional practice

C. Bad for both the buyer and seller

D. All of the above

ANSWER: D

Explanation:

All of the above is correct because knowingly presenting an estimate that is expected to change after contract signature breaches the professional obligation to communicate honestly and responsibly. Estimates are a material basis for a buyer's decision to enter into an agreement and for the seller's commitment to deliver work. A project manager must therefore use available information, disclose meaningful uncertainty, and avoid representing a value as dependable when they know it is not. PMI's Code of Ethics and Professional Conduct identifies honesty as the duty to understand the truth and act truthfully in communications and conduct. It also frames responsibility as making decisions in the best interests of society, public safety, and the environment, which includes handling stakeholder commitments with due care. A knowingly misleading estimate is consequently both bad practice and unprofessional, and it can harm both parties by undermining informed contracting, trust, and effective management of cost expectations. The proper approach is to provide a supportable estimate, state its assumptions and confidence range, and use appropriate contractual or change-control provisions for uncertainty rather than planning to revise the estimate after agreement. See PMI's Code of Ethics and Professional Conduct and its guidance on project cost estimating.

QUESTION NO: 39

As part of the quality audit, the scope statement is checked against the work results to ensure the conformance to the customer requirements. The results should be documented and used for which of the following:

A. Estimating future projects

B. Changing the project scope

C. Defining future project tasks

D. Validating the quality process

ANSWER: C

Explanation:

Defining future project tasks is correct because quality-audit findings provide objective information about how project work and quality practices conform to documented requirements. Recording those findings creates a usable basis for identifying follow-up work, such as process-improvement actions, corrective actions, and preventive actions. Those actions can then be planned and incorporated into upcoming project work so that the team addresses the issues or improvement opportunities revealed by the audit.

In PMI's quality-management approach, audits are intended to determine whether project activities comply with organizational and project policies, processes, and procedures, while also identifying good practices and opportunities for improvement. Documented audit results are therefore actionable project information, not merely a record of whether the current deliverable conforms. The project team uses the information to define and sequence the work needed to improve quality performance and maintain conformance with customer requirements as the project continues. This supports continual improvement and enables the project manager to ensure that identified actions are assigned, monitored, and completed through normal project work management and change-control practices where applicable. PMI describes quality-management concepts and continuous improvement in its standards resources: PMBOK® Guide and Standards.

QUESTION NO: 40

Who is responsibility for making sure that a message in the project team is understood

A. Project Manager

B. Sender

C. Project coordinator

D. Sponsor

ANSWER: B

Explanation:

The correct answer is **Sender**. In project communications, effective communication is not complete merely when information has been transmitted; it is complete when the intended recipient has received and understood the message. The sender is accountable for encoding the information clearly, selecting an appropriate communication method and channel, and seeking feedback or acknowledgement to verify shared understanding. This is especially important in projects because ambiguity about requirements, decisions, risks, responsibilities, or changes can lead directly to rework, delays, and stakeholder conflict.

PMI's communication model describes communication as a two-way process involving transmission, receipt, acknowledgement, and feedback. Although every team member should communicate actively and clarify information when necessary, the person originating a message must take ownership of ensuring that its meaning has been conveyed as intended. Practical ways to do this include using clear language, documenting key decisions, inviting questions, confirming action items, and asking the recipient to summarize their understanding. This feedback loop allows the sender to identify and resolve misunderstandings promptly. See PMI's overview of project communication principles at PMI: Effective Communications for Better Project Management and the PMBOK® Guide and Standards.

QUESTION NO: 41

_____ is the best choice for buyer when the item is well defined.

A. Cost plus incentive fee

B. Fixed Price

C. Time and material

D. None

ANSWER: B

Explanation:

Fixed Price is the best choice for a buyer when the item or scope is well defined because the parties can establish clear requirements, acceptance criteria, deliverables, and a definite price before work begins. In a fixed-price procurement arrangement, the seller commits to provide the specified product, service, or result for the agreed amount. This gives the buyer greater cost predictability and transfers much of the risk of cost overruns caused by the seller's performance to the seller, provided that the buyer does not materially change the agreed scope.

PMI procurement guidance emphasizes selecting a contract type that aligns with the level of scope definition and risk allocation. When requirements are stable and sufficiently detailed, a fixed-price agreement allows the buyer to compare supplier proposals against a common statement of work and manage the procurement through objective performance and acceptance measures. The buyer should therefore ensure that specifications, assumptions, quality standards, delivery dates, and change-control procedures are documented clearly before awarding the contract. See PMI's PMBOK® Guide and Standards and the PMI resource on project procurement contract types.

QUESTION NO: 42

Which of the following techniques accounts for path convergence and generally estimates project durations more accurately?

A. CPM

B. PERT

C. Schedule simulation

D. Path convergence method

ANSWER: C

Explanation:

Schedule simulation is correct because it models uncertainty across the entire schedule network rather than treating one identified critical path as fixed. Commonly implemented using Monte Carlo simulation, it repeatedly calculates possible project outcomes by sampling activity-duration estimates from defined probability distributions. This approach reflects the way multiple near-critical or parallel paths can converge on the same downstream activities. At those convergence points, delays from any contributing path can affect the successor work and the project finish date; the path driving the completion date may also change from one simulation iteration to the next.

The resulting output is a probability distribution of project completion dates, allowing the project manager to assess confidence levels for a proposed finish date, such as the date associated with a specified likelihood of completion. This is more realistic for projects with uncertain durations and interconnected network paths because it captures combined schedule risk and the effects of path convergence. PMI identifies simulation as a schedule-network analysis technique used to evaluate schedule risk and forecast likely completion outcomes. See PMI's Practice Standard for Project Scheduling and the PMI Lexicon of Project Management Terms.

QUESTION NO: 43

A project Control Scope system is documented during which of the Project Scope Management processes?

A. Collect Requirements

B. Define Scope

C. Verify ScoPe

D. Control Scope

E. Plan Scope Management

ANSWER: E

Explanation:

Plan Scope Management is correct because this process produces the scope management plan, a component of the project management plan that establishes how project and product scope will be defined, validated, and controlled. The scope management plan documents the approach for controlling scope, including how changes to the scope baseline will be evaluated and processed through the project's integrated change control practices. In other words, the project's scope-control system must be planned and documented before the team performs ongoing monitoring and management of scope. PMI describes Plan Scope Management as the process of creating a scope management plan that documents how scope will be defined, validated, and controlled. This makes it the appropriate process for documenting the control approach rather than merely carrying out scope-control activities. The scope baseline—comprising the project scope statement, work breakdown structure, and work breakdown structure dictionary—provides the approved reference against which scope performance and proposed changes are managed. See PMI's overview of scope management planning and the PMBOK Guide standards for the governing project-management framework.

QUESTION NO: 44

Which of the following is not a part of the project cost baseline but is included in the project budget?

A. Management Contingency Reserve

B. Management Overheads

C. Project Management Planing

D. Activity Cost Contingency Reserve

ANSWER: A

Explanation:

Management Contingency Reserve is the correct answer. PMI more commonly uses the term *management reserve* for an amount held by management to address unforeseen work that is within the overall scope of the project but could not be specifically identified when the cost baseline was developed. Because these events are unknown, management reserve is not allocated to individual activities or work packages and is excluded from the approved cost baseline used to measure and control cost performance.

The cost baseline is the time-phased, approved version of the project budget for planned work. It incorporates estimated activity costs, contingency reserves for identified risks, and other authorized cost components. Adding management reserve to that baseline produces the total project budget or total funding requirement. This distinction lets the project manager assess performance against the approved baseline while ensuring that the organization has funding available for unplanned, in-scope work that requires management authorization.

PMI describes the cost baseline as excluding management reserves and explains that management reserves are included when determining overall project funding requirements. See PMI's PMBOK® Guide and Standards resources and the PMI article on contingency reserves for related cost-management guidance.

QUESTION NO: 45

Adjusting Leads and Lags is a technique for:

A. Develop Schedule

B. Estimate Activity Durations

C. Estimate Activity Resources

D. Sequence Activities

ANSWER: A

Explanation:

Develop Schedule is correct because leads and lags are timing adjustments applied to logical relationships between scheduled activities while the project schedule is being analyzed and finalized. A lead permits a successor activity to begin before its predecessor is completely finished, whereas a lag introduces a required waiting period between related activities. The project manager adjusts these values as part of schedule network analysis to produce dates, evaluate the effects of dependencies, and create a realistic, viable schedule model.

This work belongs to developing the schedule because it uses the already defined activity relationships and estimates to calculate and optimize the planned start and finish dates. Careful adjustment is important: inappropriate leads or lags can create an impractical sequence, conceal constraints, or distort the predicted completion date. The resulting schedule model provides the basis for the approved schedule baseline and for later monitoring of schedule performance. PMI identifies schedule-development practices and schedule-network analysis within its project management standards; see the PMBOK® Guide and Standards page and PMI's schedule network analysis resource.

QUESTION NO: 46

A project plan is:

A. A formal, approved document used to guide both project execution and project control.

B. A document issued by senior management that provides the project manager with the authority to apply organizational resources to project activities.

C. A narrative description of products or services to be supplie

D. A document describing the organizational breakdown structure of the company.

ANSWER: A

Explanation:

"A formal, approved document used to guide both project execution and project control." is correct because it expresses the essential purpose of the project management plan in PMI practice. The plan is an approved, integrated document that describes how the project will be carried out, monitored, controlled, and closed. It brings together relevant subsidiary plans and baselines, such as scope, schedule, cost, quality, resource, communications, risk, procurement, and stakeholder-management approaches, as appropriate to the project. Once approved, it provides the authoritative basis for directing project work and for comparing actual performance against the agreed plan. It is also a living document: approved changes are incorporated through integrated change control so that the team and stakeholders continue to work from a current, controlled version. The word "formal" is important because the plan establishes a documented agreement rather than an informal collection of ideas; "approved" establishes the governance needed to use it as a control reference. PMI's standards describe project management as applying processes, principles, and practices to guide work toward intended outcomes, with planning and measurement supporting effective delivery. See PMI's PMBOK® Guide and Standards and PMI Standards.

QUESTION NO: 47

Human resource administration is the primary responsibility of which of the following:

A. Project Management Team

B. Human Resources Department

C. Executive Manager

D. Project Manager

ANSWER: B

Explanation:

Human Resources Department is correct because human resource administration is an organizational function that manages the employment relationship and the workforce policies that apply across projects and operations. This typically includes recruiting and hiring practices, compensation and benefits administration, personnel records, employee relations, compliance with labor requirements, organizational training programs, and administration of formal HR policies. A project may require people with specific capabilities, but the organization's HR function normally establishes and administers the systems through which employees are hired, assigned, supported, and governed.

In PMI's project-management context, project work is performed within an organizational environment. The project manager and project team must work within applicable enterprise environmental factors, including the organization's established human-resources policies, staffing arrangements, and personnel procedures. Accordingly, the department responsible for administering those organization-wide HR systems is the Human Resources Department. This distinction helps clarify that managing project work and managing the organization's overall employment administration are related but separate responsibilities. PMI discusses the organizational environment and its influence on projects in its standards resources: PMI Standards and PMBOK® Guide. Additional context on the people dimension of project work is available from PMI People and Project Management.

QUESTION NO: 48

Which of the following statements concerning compromise as a conflict resolution is false?

A. Neither party wins but both parties get some degree of satisfaction.

B. Important aspects of the project may be hindered in order to achieve personal objectives.

C. Compromise is generally considered a lose-lose situation.

D. A definitive resolution is seldom achieved.

ANSWER: C

Explanation:

The false statement is “Compromise is generally considered a lose-lose situation.” PMI describes compromise (also called reconciling) as seeking a solution that provides some degree of satisfaction to all involved parties. It is useful when a complete, durable resolution cannot be achieved immediately, because each party makes concessions to reach a workable, partial, or temporary agreement. Although compromise can sometimes have lose-lose characteristics because every party gives up something, PMI does not characterize it as inherently or generally a lose-lose outcome. The key distinction is that the technique aims to create an acceptable balance of competing interests, rather than to ensure that all parties lose. A project manager should use compromise appropriately to move work forward, document any resulting agreements, and revisit the issue if a more enduring solution is needed. PMI’s treatment of conflict-management approaches is part of the broader interpersonal and team skills expected of project practitioners; see the PMBOK® Guide and Standards and PMI’s CAPM certification overview.

QUESTION NO: 49

Legitimate power is _____.

A. Power derived from a person's formal position in the organization.

B. Power bestowed due to a person's personal qualities and abilities.

C. Power earned based on a person's technical knowledge, skill, or expertise in a particular area.

D. Power to distribute information as one sees fit.

ANSWER: A

Explanation:

Legitimate power is **power derived from a person's formal position in the organization.** It arises from the authority formally assigned to a role, such as the authority a project manager, functional manager, sponsor, or team lead has to make decisions, assign work, approve actions, and direct resources within the limits of that position. The power belongs to the organizational role rather than to the individual’s personality, experience, or specialized knowledge. In project environments, the amount of legitimate power available to a project manager can vary with the organizational structure. For example, project managers generally have more formal authority in projectized organizations than in functional organizations. PMI recognizes that a project manager’s ability to influence stakeholders and team members may draw on several sources of power, including positional authority. Applying legitimate power effectively means using the authority granted by the organization responsibly, clearly communicating decisions and accountability, and remaining consistent with the project’s governance framework. See PMI’s overview of organizational structures and project-management roles at PMI and its resource on leadership and influence in projects at PMI.

QUESTION NO: 50

Which of the following is not a tool or technique for a Source Selection?

A. Contract negotiation

B. Weighting system

C. Payment system

D. Screening system

ANSWER: C

Explanation:

Payment system is correct because it concerns the method and conditions by which a seller is compensated after work, deliverables, milestones, or other contract terms have been established. It is part of the contractual and financial arrangement used to administer procurement performance and make payments; it does not provide a method for comparing prospective sellers and selecting the best source before award.

Source selection is a pre-award evaluation activity. The buyer applies defined selection criteria and evaluation approaches to assess seller proposals, qualifications, technical capability, price, and other relevant factors. PMI procurement practice distinguishes selecting a seller and awarding an agreement from managing the resulting agreement, including payment administration. Therefore, a payment system may be documented in the contract that is ultimately awarded, but it is not itself an evaluation or source-selection technique.

This distinction aligns with PMI's procurement management coverage in the PMBOK® Guide and PMI Standards. It is also consistent with formal procurement practice, where source-selection evaluation factors are established for evaluating proposals, as described in FAR 15.304, Evaluation factors and significant subfactors.

QUESTION NO: 51

What techniques are used to control the project schedule?

A. Pareto diagram

B. Performance measurement

C. Parametric modeling

D. Statistical sampling

ANSWER: B

Explanation:

Performance measurement is used to control the project schedule because it compares actual schedule performance with the approved schedule baseline and planned work. The project team gathers information on completed activities, dates, durations, and remaining work, then assesses whether the project is progressing as planned. This enables the project manager to identify schedule variances and trends early, forecast likely completion dates, and determine whether corrective or preventive action is needed to maintain the approved schedule.

In practice, schedule performance measurement can include earned value measures such as schedule variance and schedule performance index when earned value management is being used. It can also include comparing actual start and finish dates, milestone status, and remaining-duration estimates against the schedule baseline. These measurements provide an objective basis for schedule-control decisions and for communicating the project's time performance to stakeholders. PMI describes schedule control as monitoring project status, updating the schedule, and managing changes to the schedule baseline. See PMI's PMBOK® Guide and Standards and its earned value management guidance.

QUESTION NO: 52

Which of the following relationship is used in the Arrow Diagramming Method [ADM] :

A. Start-to-Finish

B. Finish-to-Start

C. Start-to-Start

D. Finish-to-Finish

ANSWER: B

Explanation:

Finish-to-Start is the relationship used in the Arrow Diagramming Method (ADM). ADM is a scheduling-network diagramming technique in which activities are represented by arrows and the nodes, or circles, represent events marking the start or completion of activities. Its fundamental dependency is finish-to-start: the predecessor activity must finish before its successor activity can begin. For example, a project team must finish installing a component before it can start testing that installed component. Where necessary, ADM uses dummy activities—arrows with no duration or resource requirement—to show logical dependencies while preserving the required network logic. PMI describes ADM as a method that uses only finish-to-start relationships, in contrast with the more commonly used precedence diagramming method, which can represent several dependency types. Understanding this distinction helps when interpreting project schedule network diagrams and determining the logical sequencing of project work. See PMI's glossary entry for project management terminology and the overview of schedule-network diagram methods in the PMBOK® Guide and Standards.

QUESTION NO: 53

An example of risk mitigation is:

A. Taking early action to reduce the probability of a risk rather than repairing the damage after the risk has occurred.

B. Purchasing insurance

C. Eliminating the cause of a risk

D. You develop a contingency plan to execute in case the risk event occurs.

ANSWER: A

Explanation:

Taking early action to reduce the probability of a risk rather than repairing the damage after the risk has occurred is an example of risk mitigation. In PMI risk management practice, mitigation is a response strategy for a threat that aims to reduce either the likelihood that the threat will occur or the impact it would have if it does occur. The key feature is proactive action taken before the risk event happens. For example, a project team might add testing, use proven technology, provide training, or introduce backup capacity to make a potential problem less likely or less harmful. Mitigation does not require the threat to disappear entirely; instead, it brings the remaining exposure to a level the project can accept and monitor. This reflects PMI's emphasis on planning risk responses as part of an integrated approach to managing uncertainty throughout the project life cycle. The response should be documented in the risk register, assigned to a risk owner, and monitored so the team can verify that the planned actions are effective. PMI's standards resources describe risk management as identifying, analyzing, and responding to uncertainty that can affect project objectives. See PMI's PMBOK Guide and Standards and PMI's project risk management guidance.

QUESTION NO: 54

You are the project manager for Tech Days Seminar Homes. Your new project assignment is to head the Days Seminar Home opening in Mountainview, CA. You are estimating the duration of the project plan activities, devising the project schedule, and monitoring and controlling deviations from the schedule. Which of the Project Management Knowledge

Areas are you working in?

A. Project Scope Management

B. Project Quality Management

C. Project Integration Management

D. Project Time Management

ANSWER: D

Explanation:

Project Time Management is correct because the work described directly covers the traditional schedule-related processes in PMI's Knowledge Area framework: estimating activity durations, developing the project schedule, and controlling schedule performance. Duration estimates determine the expected amount of working time needed for planned activities. Those estimates, together with activity sequencing and resource information, are used to produce the schedule model and approved project schedule. Once execution begins, the project manager measures actual progress against that schedule baseline, identifies variances, forecasts impacts, and takes appropriate corrective or preventive action to keep the project on track.

In current PMI terminology, this discipline is generally called *Project Schedule Management*; however, the question uses the older Knowledge Area naming and lists the classic processes associated with *Project Time Management*. Therefore, that is the precise answer among the supplied choices. PMI's current CAPM examination content continues to include planning and managing schedules as an essential project-management competency. See PMI's CAPM certification overview and the PMBOK Guide and Standards resources for PMI's current project-management terminology and guidance.

QUESTION NO: 55

Which of the following is a common characteristic of most project life cycle descriptions?

A. Cost and staffing are low at the start, higher towards the end. and drop rapidly as the project nears completion.

B. The probability of successfully completing the project is highest at the start of the project.

C. Stakeholders have the most influence on the final characteristics of the product at the end of the project.

D. a and b

ANSWER: A

Explanation:

"Cost and staffing are low at the start, higher towards the end. and drop rapidly as the project nears completion." describes the typical resource-demand pattern across a project life cycle. At initiation, the project team is usually small and spending is limited because the work is focused on defining the objective, assessing feasibility, identifying stakeholders, and establishing plans. As the project moves into planning and especially execution, more people, materials, equipment, services, and funding are generally required to produce the project deliverables. Consequently, staffing and cost levels rise, commonly reaching their greatest level while the bulk of project work is being performed. During closing, work is completed, resources are released, contracts are finalized, and remaining administrative activities are concluded; therefore, staffing and spending decline sharply. The precise timing and shape of this pattern can vary by industry, delivery approach, and organizational environment, but this low-to-high-to-low resource profile is a widely recognized characteristic of project life cycles. PMI describes the life cycle as the framework through which work progresses from project start to completion and recognizes that resource needs vary across its phases. See PMI's PMBOK® Guide and Standards and Project Management Life Cycle.

QUESTION NO: 56

Which monitoring or controlling activities would not result in preventive action being applied?

A. Control Scope

B. Manage project team

C. Quality control

D. Manage Scope statement

ANSWER: A

Explanation:

Control Scope is correct. In the process-based PMI framework underlying this question, Control Scope is a monitoring and controlling activity that compares actual scope performance with the scope baseline and identifies whether completed work conforms to approved scope requirements. When an unacceptable variance is found, the process calls for recommended corrective action to bring performance back into alignment with the approved baseline. Corrective action addresses a current variance that has already occurred; it is distinct from preventive action, which is intended to reduce the likelihood of a future problem before it happens. Therefore, the expected action associated with controlling scope performance in this context is correction of scope variance rather than application of preventive action. This distinction reflects PMI's formal definitions of corrective and preventive actions and supports disciplined control of the approved project scope. PMI's terminology is available in its Lexicon of Project Management Terms, while the process-oriented project management standard is described through PMI's PMBOK® Guide and Standards.

QUESTION NO: 57

Which of the following documents the characteristics of a product or service that the project was undertaken to build.

A. Resource plan

B. Project charter

C. Project description

D. Scope statement

ANSWER: D

Explanation:

The **Scope statement** is correct because it contains the product scope description: a progressively elaborated description of the characteristics, features, and functions of the product, service, or result that the project will create. This description establishes what the intended deliverable is and provides the basis for defining the work needed to produce it. As planning proceeds, the scope statement also records key deliverables, acceptance criteria, exclusions, and assumptions or constraints relevant to the defined scope.

PMI distinguishes product scope from project scope. Product scope concerns the characteristics and functionality of the resulting product, service, or result; project scope concerns the work required to deliver that result. The scope statement brings these concepts together by documenting the product scope description and the boundaries of the project work. It is therefore the appropriate project document for recording the characteristics of what is being built. PMI's standards describe scope management as the discipline of defining and controlling both the work and the deliverables necessary for successful project completion. See PMI's PMBOK® Guide and Standards and the PMI Lexicon of Project Management Terms.

QUESTION NO: 58

A Project Scope Management includes :

A. Initiation

B. Project Plan Execution

C. Overall Change Control

D. Report Performance

E. Create WBS

ANSWER: E

Explanation:

Create WBS is a Project Scope Management process. A work breakdown structure decomposes the approved project scope and deliverables into smaller, manageable components called work packages. This decomposition creates a structured view of all work required to deliver the project's approved scope and establishes the scope baseline together with the project

scope statement and WBS dictionary. The scope baseline is essential for planning work, estimating costs and durations, assigning responsibility, and later measuring and controlling changes to scope. PMI describes scope management as ensuring that the project includes all the work required—and only the work required—to complete the project successfully. Creating the WBS directly supports that objective by organizing the complete deliverable-oriented scope into manageable pieces. PMI's current standards are principles-based and may tailor process approaches by project context, but the WBS remains a foundational scope-management technique and a key CAPM concept. See PMI's overview of project scope management and its resource on the work breakdown structure.

QUESTION NO: 59

The project manager's leadership style should be matched to the corresponding developmental level of the project team and should move through successive steps in the following order: _____.

A. Disciplinary, autocratic, and participative

B. Staff planning, team training, and performance monitoring

C. Team building, team development, and responsibility assignment

D. Directing, coaching, supporting, and delegating

ANSWER: D

Explanation:

"Directing, coaching, supporting, and delegating" is correct because it reflects the progression of situational leadership as a team's competence and commitment develop. At the earliest stage, team members generally need clear direction about what work is required, how it should be performed, and when it is due; the project manager therefore uses a directing approach. As capability begins to grow but confidence or consistency may still be developing, coaching combines continued task direction with explanation, encouragement, and two-way communication. Once team members can perform much of the work but benefit from participation and confidence-building, the manager shifts to supporting, sharing decisions and facilitating ownership. Finally, when the team is capable, confident, and accountable, delegating transfers substantial responsibility for decisions and execution to team members while the project manager maintains appropriate oversight. This adaptive approach aligns leadership behavior with the team's current needs rather than applying one fixed style throughout the project lifecycle. PMI recognizes leadership as a key project-management competency and emphasizes tailoring leadership to the situation and stakeholders. See PMI's discussion of situational leadership for project managers and PMI's CAPM certification overview.

QUESTION NO: 60

Which of the following is an output of a Verify Scope process?

A. Accepted deliverables

B. Change Requests

C. Project document updates.

D. All of the above

ANSWER: D

Explanation:

All of the above is correct because Verify Scope (called Validate Scope in more recent PMI terminology) formally obtains stakeholder or customer acceptance of completed project deliverables. The immediate result is **accepted deliverables**: deliverables that have been reviewed against the documented acceptance criteria and formally accepted. The review can also identify needed modifications or corrective actions. Those needs are documented as **change requests** and submitted through the project's integrated change-control approach rather than being implemented informally.

The process also produces **project document updates**. In particular, acceptance records and other project documentation must reflect whether deliverables were accepted and any relevant details resulting from the review. Therefore, each item listed is an output associated with the Verify Scope process, making the combined answer the single best choice. PMI's current framework uses the term Validate Scope while retaining the central purpose of obtaining formal acceptance of completed deliverables. See PMI's PMBOK® Guide and Standards overview and PMI's CAPM certification resource for the scope-management concepts assessed on CAPM questions.

QUESTION NO: 61

If a project has an 80% chance of activity will take 2 weeks or less. what is the probability of the event?

A. 75%

B. 65%

C. 50%

D. 20%

ANSWER: D

Explanation:

20% is correct when the event being assessed is that the activity will take more than 2 weeks. The stated 80% likelihood covers the outcome "2 weeks or less." An activity cannot simultaneously finish in 2 weeks or less and exceed 2 weeks, and these two outcomes cover all possibilities for the duration relative to the two-week threshold. They are therefore complementary events. The probability of the complementary event is calculated as 100% minus the stated probability: 100% − 80% = 20%.

In project risk analysis, probability expresses the likelihood that a specified uncertain event or condition will occur. Here, clearly defining the event is essential: the relevant event is a schedule overrun beyond two weeks, not completion within the two-week limit. This complement calculation helps a project manager express the schedule risk in a form useful for planning responses, setting contingency, and communicating exposure to stakeholders. PMI's risk guidance treats uncertainty and its potential effect on objectives as central to project risk management. See PMI's Practice Standard for Project Risk Management and the PMI Lexicon of Project Management Terms.

QUESTION NO: 62

In PMBOK, the seller is _____ to the project team.

A. Internal

B. External

C. Outside

D. Assigned

ANSWER: B

Explanation:

"External" is correct because PMI procurement terminology treats the seller as the party that provides products, services, or results to the project's buying organization or project team under an agreement. The seller may be described as a contractor, vendor, supplier, service provider, or consultant, but its procurement role is distinct from—and external to—the project team that is acquiring the work. This buyer–seller relationship is central to project procurement management: the project team defines the need, conducts procurement activities as applicable, administers the resulting agreement, and accepts the contracted deliverables. The seller performs or supplies the contracted work in accordance with that agreement. Therefore, for this terminology question, "external to the project team" is the intended PMBOK-aligned completion. PMI's standards terminology and procurement-management resources provide the relevant context for the buyer–seller relationship and

contract-based acquisition of project work. See the PMI Lexicon of Project Management Terms and PMI's overview of project procurement management.

QUESTION NO: 63

When a risk should be avoided?

A. The risk event has a low probability of occurrence and low impact.

B. The risk event is unacceptable - generally one with a very high probability of occurrence and high impact.

C. The risk can be transferred by purchasing insurance.

D. A risk event can never be avoided.

ANSWER: B

Explanation:

The risk event is unacceptable - generally one with a very high probability of occurrence and high impact. Risk avoidance is an appropriate threat-response strategy when the project team determines that the exposure is outside the organization's risk appetite or tolerance. Rather than merely reducing the likelihood or impact, avoidance removes the threat or protects the project objectives from its consequences. Depending on the situation, the team may change the scope, requirements, schedule, approach, supplier, or technical solution; in an extreme case, it may decide not to proceed with the affected work or project. The response should be selected through risk analysis and documented in the risk register, including the planned actions, owner, timing, and any residual risk. PMI's risk-management approach emphasizes choosing responses that are proportionate to the assessed probability and impact and aligned with organizational thresholds. A threat that is both highly likely and severely damaging commonly warrants avoidance because accepting that exposure would put key project objectives at an unacceptable level of risk. See PMI's Project Management Lexicon and the PMI Risk Management resources.

QUESTION NO: 64

The three major types of communication are: _____.

A. Written, verbal, and non-verbal

B. Verbal, formal documentation, and informal documentation

C. Verbal, written, and graphic

D. Verbal, written, and electronic

ANSWER: A

Explanation:

Written, verbal, and non-verbal is correct because project communication involves both the content that is transmitted and the way recipients interpret it. Written communication creates a durable, reviewable record through items such as reports, meeting minutes, emails, requirements documentation, and status updates. Verbal communication supports direct exchange of information, clarification, negotiation, and timely feedback during conversations, presentations, and meetings. Non-verbal communication includes body language, facial expressions, posture, tone, pace, and other behavioral cues that influence how a message is understood. A project manager should deliberately consider all three forms when planning and managing communications, particularly when conveying important information to diverse stakeholders. Clear written records support accountability, while verbal and non-verbal cues help establish shared understanding, trust, and engagement. PMI emphasizes tailoring communications to stakeholder needs and using effective communication practices to support project outcomes. See PMI's overview of project communication practices at PMI Project Communication Strategies and PMI's standards resources at PMBOK® Guide and Standards.

QUESTION NO: 65

Which of the following is true about pure risk?

A. The risk can be deflected or transferred to another party through a contract or insurance policy.

B. Pure risks involve the chance of both a profit and a loss.

C. No opportunities are associated with pure risk, only losses.

D. Botn A and c are correct.

ANSWER: D

Explanation:

“Botn A and c are correct.” is the correct choice because pure risk is characterized by the possibility of loss or no loss, rather than the possibility of a gain. Consequently, it does not contain an opportunity for profit; its unfavorable outcome is a loss. Examples include property damage, theft, injury, or liability claims. Pure risks are commonly addressed through risk-transfer arrangements. In particular, an insurance policy transfers specified financial consequences of a covered loss from the insured party to the insurer in exchange for a premium. Contracts may also allocate responsibility for certain risks to another party, subject to the agreement’s terms and applicable law. In project management, understanding this distinction supports appropriate risk-response planning: threats may be transferred when a third party is better positioned to own and manage the financial impact. PMI describes transfer as a threat response that shifts ownership of a threat to a third party, often through insurance, warranties, guarantees, or contracts. See the PMBOK® Guide and Standards and the IRMI definition of pure risk for related terminology.

QUESTION NO: 66

Customer formally accepts the deliverables of each project phase. This process is known as _____.

A. Validate Scope

B. Quality Assurance

C. Quality Control

D. Quality Measurement

ANSWER: A

Explanation:

Validate Scope is the process in which completed project deliverables are formally reviewed and accepted by the customer or sponsor. It is performed throughout the project whenever deliverables are completed, including at the end of a phase. The project team presents the completed deliverable for review against the documented acceptance criteria, requirements documentation, and scope baseline. Formal acceptance is then documented; if a deliverable is not accepted, the resulting change requests or defect-related information can be processed through the project’s established control procedures.

This process is especially important because producing a deliverable does not by itself establish that the customer has accepted it. Validation provides objective confirmation that the deliverable meets the agreed criteria and creates an acceptance record that supports orderly phase transitions and final project closure. In earlier editions of PMI standards, this process was named “Verify Scope”; PMI’s current terminology is “Validate Scope.” PMI distinguishes this customer or sponsor acceptance activity from internal verification of whether work results meet quality requirements. See PMI’s PMBOK® Guide and Standards and the CAPM certification overview.

QUESTION NO: 67

Which procurement contract type provides reimbursement to the seller for allowable costs plus a fixed fee?

A. Cost-plus-fixed-fee contract

B. Firm-fixed-price contract

C. Time and materials contract

D. Fixed-price-incentive-fee contract

ANSWER: A

Explanation:

A cost-plus-fixed-fee contract is correct because the buyer reimburses the seller for allowable costs and pays a fixed fee that is established when the contract is awarded. The fee does not vary with the seller's actual cost performance unless the contract itself is modified.

Cost-reimbursable contracts are useful when the exact scope cannot be sufficiently defined to support a fixed-price contract. They place more cost risk on the buyer than fixed-price arrangements, so the buyer should provide appropriate oversight of costs and contract performance. See PMI's PMBOK® Guide and Standards.

QUESTION NO: 68

Lessons learned are most often based upon project historical records. Lessons learned can be used to:

A. See what mistakes others have made

B. See how others have solved problems

C. "Predict trends, highlight problems and identify alternatives"

D. All of the above

ANSWER: D

Explanation:

"All of the above" is correct because lessons learned turn prior project experience and historical records into reusable organizational knowledge. Reviewing documented outcomes enables project teams to recognize mistakes or conditions that previously caused issues, so they can plan preventative actions and avoid repeating them. It also gives teams access to approaches that successfully resolved earlier problems, which can accelerate decision-making and improve the selection of responses when comparable challenges arise.

Historical lesson data can additionally reveal recurring patterns across projects. When analyzed in context, those patterns support forecasting, early identification of risks or emerging problems, and consideration of practical alternatives based on evidence rather than assumptions. PMI treats lessons learned as information gathered throughout a project—not only at closure—and recommends storing and sharing it so that it can improve current and future work. This makes the combined answer appropriate: each stated use represents a valid way project historical records and lessons learned contribute to better planning, execution, and organizational learning. See PMI's discussion of lessons learned and project performance and its PMBOK Guide and Standards resources.

QUESTION NO: 69

Wgich of the following is NOT considered as strategy for positive risk ?

A. Avoid

B. Transfer

C. Accept

D. ExPlot

E. Avoid and Transfer

ANSWER: E

Explanation:

Avoid and Transfer is the correct response because these are threat-response strategies, rather than strategies used to pursue an opportunity (a positive risk). PMI treats positive risks as uncertain events or conditions that could have a beneficial effect on one or more project objectives. The project team responds to opportunities by seeking to ensure that the opportunity occurs, increase its probability or impact, allocate ownership to a capable third party, or accept it. In contrast, the combined response “Avoid and Transfer” represents actions intended to address exposure to adverse uncertainty: avoidance changes the plan to eliminate the threat, while transfer shifts ownership of the threat and its consequences to another party. Because both terms fall outside the set of opportunity-response strategies, neither can individually be the sole answer in a valid single-choice item; the combined option resolves that ambiguity. PMI’s risk-management approach emphasizes selecting responses appropriate to whether uncertainty represents a threat or an opportunity and assigning ownership for implementing the selected response. See PMI’s overview of project risk management practices and the PMBOK® Guide and Standards.

QUESTION NO: 70

Integrity in the project management field is accomplished through all of the following except:

A. Adhering to an ethical code

B. Applying established project management processes

C. Following the CAPM Code of Professional Conduct

D. Training to learn how to manage relationships with others from different cultures

ANSWER: D

Explanation:

Training to learn how to manage relationships with others from different cultures is the exception because it primarily develops cultural awareness, communication skills, and the ability to work effectively with diverse stakeholders and team members. These are important professional and leadership capabilities, but completing diversity or cross-cultural relationship training does not itself establish integrity in project management.

Integrity is an ethical principle demonstrated through consistent, honest, responsible conduct and alignment between a practitioner’s commitments and actions. PMI identifies honesty, responsibility, respect, and fairness as foundational values in professional practice. A project practitioner demonstrates integrity by applying ethical standards in decisions, communications, reporting, and stakeholder interactions, including when facing pressure or conflicting interests. Project management processes can provide a disciplined framework for transparent planning, monitoring, governance, and decision-making; however, integrity ultimately depends on the professional’s ethical behavior while using those practices.

For PMI’s current description of ethical responsibilities and professional values, see the PMI Code of Ethics and Professional Conduct. PMI’s overview of the CAPM credential and the professional knowledge it recognizes is available at PMI CAPM Certification.

QUESTION NO: 71

Communication between the project manager and the project team members should take place:

A. Via daily status report.

B. Through approved documented forms.

C. By written and oral communication.

D. Through the formal chain of command.

ANSWER: C

Explanation:

By written and oral communication. is correct because effective project communication requires selecting methods that fit the message, urgency, audience needs, and opportunity for feedback. Project managers regularly use oral methods such as conversations, meetings, calls, and presentations to clarify work, resolve issues quickly, build shared understanding, and obtain immediate feedback. They also use written methods such as emails, reports, action-item lists, project records, and collaboration tools to document decisions, communicate details consistently, and preserve information for later reference. Using both forms supports timely coordination while maintaining an appropriate record of project information. PMI's communications guidance emphasizes tailoring communications to stakeholder requirements and using suitable communication methods, technologies, and channels rather than relying on one fixed mechanism. The project manager should therefore apply written and oral communication as appropriate to the team's work, the complexity of information, and the project environment. This approach improves clarity, engagement, accountability, and the team's ability to act on project information. See PMI's PMBOK® Guide and Standards and Effective Communication for Better Project Management.

QUESTION NO: 72

Which of the following is a method for quantifying qualitative data in order to minimize the effect of personal prejudice on source selection?

A. Weighting system

B. Screening system

C. Selecting system

D. None of the above

ANSWER: A

Explanation:

Weighting system is correct because it establishes a structured, objective way to evaluate prospective sellers against predefined source-selection criteria. The project team identifies relevant criteria—such as technical capability, past performance, management approach, quality, delivery capability, or sustainability—and assigns each criterion a relative weight based on its importance to the procurement. Evaluators then score each seller's proposal against the same criteria, and the weighted scores produce a comparable overall result.

This approach converts judgments about qualitative characteristics into a numerical evaluation model. The resulting score does not eliminate professional judgment; rather, it makes that judgment consistent, visible, and traceable to criteria agreed upon before proposals are assessed. Using documented weights and scores helps reduce the influence of individual preferences or personal prejudice in source selection, while also providing an auditable rationale for the procurement decision. PMI describes source selection as an evaluation of seller proposals using established criteria, with weighting systems serving as a common technique for quantifying those evaluations. See PMI's PMBOK® Guide and Standards resources and the PMI Lexicon of Project Management Terms.

QUESTION NO: 73

A Strong Matrix is _____.

A. A balanced matrix organization

B. Where all team members are brought together in one location

C. Where functional managers operate in a dual reporting structure reporting to both their own departments and to the project manager

D. Power reset with Functional Manager

E. Where the project manager has greater authority than functional managers and substantial control over project resources and decisions

ANSWER: E

Explanation:

A strong matrix is a matrix organizational structure in which the project manager has a high level of authority, generally greater than that of the functional managers with respect to project decisions and direction. The project manager is typically assigned full time, has substantial control over project resources and the project budget, and is supported by full-time project administrative staff. Although personnel may remain associated with their functional areas, the project manager leads the work needed to meet the project's objectives and coordinates the team across those areas. PMI describes organizational structures as a spectrum: in a strong matrix, project manager authority, resource availability, and budget control are high, making it closer to a projectized environment than a balanced or weak matrix. Therefore, the defining characteristic is that power resides with the project manager. This structure is useful where an organization needs stronger project focus while still retaining functional departments and their specialized expertise. See PMI's overview of organizational structures in Organizational Structures in Project Management and the PMBOK® Guide and PMI Standards.

QUESTION NO: 74

Which of the following project document is best suited for tracking costs of resources?

A. Work breakdown structure

B. P'sk breakdown structure

C. Organizational breakdown structure

D. Resource breakdown structure

ANSWER: D

Explanation:

The **Resource breakdown structure** is the best choice because it organizes the project's resources into a hierarchical representation by resource category and type. For example, it can group labor resources by discipline or role, equipment by class, and materials by type. This structured view gives the project team a consistent basis for identifying, assigning, aggregating, and monitoring resource-related costs across the project.

When resource rates, quantities, and planned assignments are associated with the resource categories in the hierarchy, the project manager can roll costs up from detailed resource items to higher-level categories. This supports estimating resource costs, preparing the budget, monitoring actual expenditures, and analyzing cost performance for labor, materials, equipment, and other resource groups. PMI describes the resource breakdown structure as a hierarchical representation of resources by category and type, making it especially useful for organizing information used in resource planning and cost tracking. See PMI's Resource Breakdown Structure overview and the PMBOK Guide and Standards for PMI's resource-management terminology and practices.

QUESTION NO: 75

Projects are typically authorized as a result of any of the following except:

A. Market demand

B. Successful RFP bidding

C. Regulatory requirement

D. Technological advance

ANSWER: B

Explanation:

Successful RFP bidding is the exception. PMI describes project authorization in terms of the organizational need or condition that gives rise to a project, such as market demand, a regulatory or legal requirement, or a technological advance. Those conditions establish the business rationale for undertaking work and are reflected in the business case and project charter. A successful response to a request for proposal is different: it is a procurement outcome or contracting event. It may result in an organization receiving an award and then formally authorizing the resulting project, but the winning bid itself is not one of PMI's standard underlying reasons for initiating a project. In practice, the customer's need expressed through the RFP can be the business driver, while the supplier's successful bid is the mechanism that enables that supplier to perform the work. The project should still be formally authorized through a charter or equivalent authorization document that identifies its purpose, objectives, and authority. PMI's project-management standards and project-charter guidance provide the relevant framework: PMI PMBOK® Guide and Standards and PMI project charter guidance.

QUESTION NO: 76

A project schedule can be presented in various formats. All of the following are valid formats of the project schedule EXCEPT:

A. Activity-on-node diagram

B. Logic bar chart

C. Time-scaled schedule network diagram

D. Flow charts

ANSWER: D

Explanation:

Flow charts is the correct exception because a flowchart is generally used to depict the sequence of steps, decisions, inputs, and outputs in a process. It supports process analysis and improvement, but it does not communicate the project schedule's planned activities against time, durations, dates, milestones, or schedule relationships in the way a schedule presentation must. A project schedule is a representation of the schedule model that enables stakeholders to understand planned work and to monitor its timing and progress. PMI recognizes that schedule information can be presented in several visual forms suited to different audiences and purposes, including network-based views and bar-chart-based views. Those formats help communicate activity sequencing, dependencies, durations, and the calendar-based plan for delivery. In contrast, a flowchart may be useful in documenting how work is performed, such as a quality-control or approval process, but it is not itself a project schedule format. This distinction is important for CAPM questions: choose the artifact that presents the time-based project plan, rather than a diagram that merely maps a workflow. See PMI's overview of scheduling practice in the PMI Practice Standards and its glossary entry for project management terminology.

QUESTION NO: 77

Administrative closure is the process that _____.

A. Closes all activities pertaining to a specific project

B. Collects user acceptance of the project product or service

C. Includes all the activities needed to validate the project products and services

D. Al1 of the above

ANSWER: A

Explanation:

“Closes all activities pertaining to a specific project” is correct because administrative closure is the formal process of completing the remaining administrative work needed to conclude a project or project phase. In older PMI terminology, it involved finalizing records, organizing and archiving project documentation, capturing lessons learned, completing required reporting, updating organizational process assets, and ensuring that contractual, financial, and resource-related closure activities are addressed. The purpose is to establish an orderly, documented end to the work rather than simply stopping project execution.

In current PMI process terminology, these responsibilities are primarily represented by the *Close Project or Phase* process. This process confirms that the project or phase has been formally concluded and that its information and outcomes are retained for organizational use and future projects. Administrative closure therefore encompasses the broad set of closeout actions associated with the entire project, including consolidating closure information and preserving the project’s historical record. PMI’s standards framework describes project management processes and their lifecycle context in the PMBOK® Guide and Standards; PMI’s Lexicon of Project Management Terms provides related standardized terminology.

QUESTION NO: 78

As a project manager, you know that the most important activity to ensure customer and stakeholder satisfaction is:

A. Documenting and meeting the requirements

B. Reporting project status regularly and in a timely manner

C. Documenting and meeting the performance measurements

D. Reporting changes and updating the project plan and other project documents where appropriate

ANSWER: A

Explanation:

Documenting and meeting the requirements is the most important activity because requirements establish the agreed basis for what the project must deliver and the conditions those deliverables must satisfy. Customer and stakeholder satisfaction depends on creating a shared, traceable understanding of needs, expectations, acceptance criteria, and constraints before work is performed. The project manager works with stakeholders to elicit, analyze, prioritize, document, and validate these requirements, then ensures that the scope and deliverables remain aligned with them throughout the project.

Clear documentation reduces ambiguity and provides a baseline for planning, validation, acceptance, and change control. Meeting the approved requirements means the project’s outputs provide the intended value and can be formally accepted by the customer. This principle aligns with PMI’s emphasis on tailoring project work to stakeholder needs and delivering value through outcomes that meet agreed expectations. Requirements management is therefore not merely an administrative task; it connects stakeholder engagement, scope definition, quality, acceptance, and value delivery. PMI describes project management standards and principles at PMI’s PMBOK Guide and Standards page, and its resources on requirements management are available at PMI’s requirements-management article.

QUESTION NO: 79

A Precedence Diagramming Method (PDM) uses which of the following dependencies

A. Finish-to-start

B. Start-to-start

C. Finish-to-finish

D. Start-to-finish

E. All of the above

ANSWER: E

Explanation:

The correct answer is **All of the above**. The Precedence Diagramming Method (PDM), also called activity-on-node, is a scheduling-network diagramming technique that represents activities as nodes and connects them through logical relationships. PDM supports each of the four dependency types listed: finish-to-start, finish-to-finish, start-to-start, and start-to-finish. Finish-to-start is the relationship used most often in project schedules, but it is not the only relationship available in PDM. A project manager selects the relationship that accurately reflects the actual sequencing constraint between activities. For example, work may need to start before related work can start, or one activity may need to finish before another can finish. Using the appropriate logical relationship is essential when developing the schedule network diagram because it establishes the activity sequence used for schedule analysis, including critical-path calculations. PMI identifies PDM as a standard technique for creating schedule network diagrams and recognizes these logical relationships in scheduling practice. See PMI's online lexicon and its PMBOK® Guide and Standards resources.

QUESTION NO: 80 - (SIMULATION)

The work breakdown structure is _____.

ANSWER: See the explanation for the answer

Explanation:

Correct answer: A. Used to break down the project into manageable pieces.

A Work Breakdown Structure (WBS) is a hierarchical, deliverable-oriented decomposition of the total project scope into smaller components, ultimately reaching work packages that can be estimated, assigned, monitored, and controlled.

It is not necessarily fixed for the entire project, and it is not a required component of the project charter. Although it supports scope planning and is associated with the scope baseline, the best completion of the statement is that it breaks the project into manageable pieces.

QUESTION NO: 81

Which is not true about change requests :

A. They always require additional funding.

B. They happen while the project work is being done.

C. They can be written or verbal.

D. They can be requested by a stakeholder.

ANSWER: A

Explanation:

"They always require additional funding." is not true. A change request is a formal proposal to modify a project document, deliverable, or baseline, and its effect must be assessed through the project's change-control process. Although a proposed or approved change can affect cost and may require use of contingency reserves, additional budget, or revised funding authorization, cost impact is not inherent in every change request. For example, a change may correct documentation, revise an activity sequence without changing total cost, clarify acceptance criteria, or modify a process using existing resources. The project manager and appropriate change control authority evaluate the requested change for its effects on scope, schedule, cost, quality, resources, risks, and other relevant project constraints before deciding whether to approve it. Therefore, funding is a possible impact to analyze rather than an automatic requirement of every change request. PMI's terminology and standards framework describes change requests in the context of integrated change control and evaluating their impacts before approval. See PMI's Project Management Lexicon and the PMBOK® Guide and Standards.

QUESTION NO: 82

Reserve Analysis technique is NOT used during _____.

A. Control Costs

B. Estimating Activity Duration

C. Determine Budget

D. Estimate Costs

E. None of the listed processes; reserve analysis is used during all of them.

ANSWER: E

Explanation:

None of the listed processes; reserve analysis is used during all of them. is correct because reserve analysis is a technique for assessing the amount, use, and continuing adequacy of contingency and management reserves in response to project uncertainty. During activity-duration estimating, it helps account for schedule uncertainty and establishes appropriate duration reserves. During cost estimating and budget determination, it supports the calculation and aggregation of contingency reserves and management reserves into the authorized project budget. During cost control, the project team analyzes reserve consumption and remaining reserve sufficiency as actual cost performance and risks evolve. Therefore, there is no process in the list for which reserve analysis is categorically excluded. This treatment is consistent with the process-based practices tested in CAPM questions, particularly the planning and monitoring work associated with schedule and cost uncertainty. PMI's current standards explain that project management practices must address uncertainty and enable informed decisions throughout delivery; the official standards resources are available through the PMBOK® Guide and Standards page and the CAPM certification page.

QUESTION NO: 83

You are project manager and during the course of a project, the number of team members increases from six to ten. How many ADDITIONAL lines of communication channels now exist?

A. 10

B. 35

C. 30

D. 55

ANSWER: C

Explanation:

The correct answer is **30**. In PMI project communications planning, the number of potential communication channels among a group of stakeholders is calculated using the formula $n(n-1)/2$, where n is the number of people. This formula counts each unique two-way relationship once and helps the project manager appreciate how quickly communication complexity grows as people join the team.

With six team members, there are $6(6-1)/2 = 15$ potential channels. With ten team members, there are $10(10-1)/2 = 45$ potential channels. Because the question asks for the *additional* channels created by the increase—not the total number after the increase—the original 15 channels must be subtracted from the new total of 45. The increase is therefore $45 - 15 = 30$ communication channels.

This calculation supports PMI's emphasis on tailoring communications planning to stakeholder and team needs as project conditions change. See PMI's PMBOK® Guide and Standards and its project communications management resource.

QUESTION NO: 84

You are the project manager of a large construction project. The project objective is to construct a set of buildings in the city within 18 months from the project start date. Resources are not readily available because they are currently assigned to other projects.

Nick, an expert crane operator, is needed for this project two months from today. Which of the following skills will you use to get Nick assigned to your project?

A. Negotiation and influencing skills

B. Communication and organizational skills

C. Problem solving skills

D. Communication skills

ANSWER: A

Explanation:

Negotiation and influencing skills are appropriate because obtaining a scarce, specialized resource who is already committed to another project requires reaching agreement with the resource's functional manager, current project manager, or other authorized resource owner. The project manager must clearly communicate the construction project's timing need, the operational impact of not having a qualified crane operator available, and the value of assigning Nick at the required time. Negotiation supports development of a mutually acceptable arrangement, such as a planned transfer date, a temporary allocation, or a prioritized commitment. Influencing is needed to build support for the assignment without relying solely on formal authority, particularly in a matrix or shared-resource environment. These are core interpersonal capabilities used when acquiring project resources and managing stakeholder expectations. PMI identifies negotiation and influencing as important leadership and interpersonal skills for project work, while resource acquisition involves securing the people needed to perform project activities. See PMI's overview of project management competencies at What Is Project Management? and its CAPM certification reference page at CAPM Certification.