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PRINCE2 Practitioner Exam

PRINCE2 PRINCE2-Practitioner

Version Demo

Total Demo Questions: 55

Total Premium Questions: 556

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Topic Break Down

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QUESTION NO: 1

The chair of a quality review meeting advised the Team Manager that, because there were so many major issues, the product had been rejected. The presenter estimated that the corrections would take about two weeks. The re-assessment of the product will take a further week, resulting in a three-week delay. The Work Package only has one week tolerance.

Which 2 actions should the Team Manager take in response to this situation?

A. Ask the reviewers to work overtime to prevent the delay.

B. Ensure that the situation is included in the next Highlight Report.

C. Raise an issue explaining that tolerances are forecast to be exceeded.

D. Advise the Project Manager of the risk that there may be a two-week delay in the delivery of one of the products.

E. Ensure that the Quality Register is updated with the quality review result.

ANSWER: C E

Explanation:

Raise an issue explaining that tolerances are forecast to be exceeded because the Team Manager has identified an exception forecast: the expected three-week delay is greater than the one-week time tolerance delegated for the Work Package. In PRINCE2, a Team Manager must escalate an actual or forecast exception to the Project Manager rather than attempting to authorize action beyond the limits delegated in the Work Package. The issue provides the Project Manager with timely, documented information on the forecast impact so that the appropriate level of management can decide how to respond.

Ensure that the Quality Register is updated with the quality review result because the rejected product and the major issues identified are outcomes of a completed quality-control activity. The Quality Register records planned and completed quality activities and their results, providing an auditable record of the product's quality status and any follow-up needed. Recording the rejection ensures that the Project Manager and relevant stakeholders have reliable quality information while the exception is considered. These actions apply PRINCE2's management-by-exception principle and its quality practice. See PeopleCert's PRINCE2 overview and PRINCE2 methodology overview.

QUESTION NO: 2 - (SIMULATION)

Drop down the right answer from Column 1 to column 2.

Column 1	Column 2
This plan includes the detailed design of the process model, systems model, operating model and organization model.	Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule
A monthly stage status report will be provided to the Project Board.	Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule
The high-level models, produced in the feasibility study by the management colsultant, will be used by the project.	Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule
The Project Board has approved the recommendation to outsource both the Information Technology Division and the Facilities Division to one service provider and this decision must remain in place.	Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule
Based on advice from the Ministry of Trade and Industry that, in their experience, drafting a service level agreement is a lengthy process, allowances have been made for this in the Stage Plan for stage 2.	Plan description Plan prerequisites External dependencies Planning assumptions Lessons incorporated Monitoring and control Budgets Tolerances Schedule
Time: +2 weeks 1-2 weeks	

ANSWER: See the explanation for the answer

Explanation:

Select the following items in **Column 2**, in the same top-to-bottom order as the statements in Column 1:

QUESTION NO: 3

MANAGING PRODUCT DELIVERY

Stage 2 is in progress. While producing the team plan, the team manager responsible for the work package to develop the 'classroom-based training material' discovered that the representatives assigned to check the products were unsuitable.

Which action should the team manager take in response?

A. Discuss the situation with project assurance.

B. Advise the project manager of this risk.

C. Update the quality register with these concerns.

D. Raise an exception report to the project manager.

ANSWER: B

Explanation:

“Advise the project manager of this risk.” is correct because unsuitable product reviewers create a threat to the work package’s quality-control activities. The team manager has identified that the agreed approach for checking the classroom-based training material may not provide competent, appropriate review and acceptance. This could lead to products failing to meet their quality specifications, delays while alternative reviewers are found, or rework after inadequate checking.

Under PRINCE2, the team manager manages delivery of an authorized work package and must communicate risks, issues, and progress to the project manager. The project manager is responsible for coordinating project-level risk management and for deciding what action is needed, such as obtaining suitable reviewers, changing quality responsibilities, or adjusting plans. Early notification allows the risk to be assessed, recorded, assigned to an appropriate owner, and managed before it affects delivery.

This response is consistent with the Managing Product Delivery process, in which the team manager provides information to the project manager through agreed reporting and escalation arrangements. It preserves the project manager’s accountability for directing the project while ensuring the delivery team raises a material threat promptly. See the PeopleCert PRINCE2 certification overview and the PRINCE2 methodology overview.

QUESTION NO: 4

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

A. The re-engineering of selected business functions would not provide the required outcome.

B. The lack of up-to-date technology in MFH means a re-engineering of existing services will not necessarily deliver the performance improvements required.

C. Use external consultants to provide guidance on the detailed design of the outsourced services.

D. Set up a PRINCE2 project to deliver the outsourced services.

E. Review a list of service providers to determine a short-list of possible service providers.

ANSWER: C D

Explanation:

The Business options heading in a PRINCE2 Business Case records the viable ways of responding to the business need and identifies the course of action that can be justified as worthwhile. In this situation, *Use external consultants to provide guidance on the detailed design of the outsourced services.* describes a possible sourcing and delivery approach that supports the outsourcing solution. It is therefore relevant when defining the option and the assumptions or arrangements needed to make that option feasible.

Set up a PRINCE2 project to deliver the outsourced services. states the proposed managed means of implementing the outsourcing option. It establishes that the preferred response will be delivered through a project using PRINCE2 governance, controls, and management products. Recording this supports the Business Case by making clear how the chosen business response will be organized and delivered, allowing decision-makers to judge its viability before committing investment.

PRINCE2 requires the Business Case to provide the information needed to decide whether the project remains desirable, viable, and achievable throughout its life. Business options are considered as part of establishing that continuing justification. See PeopleCert PRINCE2 information and PRINCE2.com: What is a business case?.

QUESTION NO: 5

Which of the following roles cannot be combined?

A. Executive and Senior User

B. Project Manager and Project Support

C. Project Assurance and Team Manager

D. Senior Suppler and Supplier Assurance

ANSWER: C

Explanation:

Project Assurance and Team Manager cannot be combined because PRINCE2 requires independent assurance of the project's continued viability and proper management. Project Assurance acts on behalf of the Project Board and independently monitors whether the project is being managed appropriately, including whether products meet expectations, risks are controlled, and the project remains justified. A Team Manager, by contrast, is responsible for delivering assigned work packages and managing the team's day-to-day production of specialist products.

If one person held both responsibilities, they would effectively be required to provide objective assurance over work and management activities for which they are directly accountable. This would undermine the independence needed for meaningful oversight and could prevent issues concerning delivery performance, quality, risks, or controls from being identified and escalated impartially. PRINCE2 therefore explicitly states that the Project Assurance role must not be combined with the Project Manager, Team Manager, or Project Support roles. This separation supports clear accountability and enables the Project Board to receive trustworthy assurance throughout the project. See the PeopleCert PRINCE2 certification overview and the PRINCE2 methodology overview.

QUESTION NO: 6 - (DRAG DROP)

DRAG DROP

DIRECTING A PROJECT

Here are three actions that are carried out as part of the 'directing a project' process.

During which activity (A-E) should they be carried out?

Choose only one activity for each action. Each activity can be used once, more than once, or not at all.

Select and Place:

- Authorize initiation
- Authorize the project
- Authorize a stage or exception plan
- Give ad hoc direction
- Authorize project closure

- After the pilot courses have taken place, sign off the approach to measuring the sales of the 'e-learning course'.
- Approve the plan to deliver the 'classroom-based training materials', 'marketing materials', 'training venue specifications' and 'accredited classroom-based course'.
- Approve the first baseline of the approach to measuring the results of the pilot courses.

ANSWER:

Explanation:

In PRINCE2, the Directing a Project process enables the Project Board to make the key decisions needed to keep the project aligned with its business justification and organizational objectives. The Project Board authorizes the project once it is satisfied with the initiation-level baseline, including the agreed approach for measuring the results of the pilot courses. This is the point at which the project can move from initiation into delivery with an approved basis for control and measurement.

The plan for delivering the classroom-based training materials, marketing materials, training-venue specifications, and accredited classroom-based course represents planned work for a controlled period of delivery. Approval of this kind of delivery plan is a Project Board decision to authorize the relevant stage or, where applicable, an exception plan. This ensures that the Board commits resources and authority only after reviewing the plan for the work about to be undertaken.

Signing off the approach to measuring sales of the e-learning course after the pilot courses have occurred is a specific Project Board decision made in response to project circumstances and emerging information. It is therefore handled as ad hoc direction. Ad hoc direction allows the Board to guide the project without treating every management decision as a formal project, stage, exception, or closure authorization.

This allocation follows the PRINCE2 principle that governance decisions are escalated to the Project Board at the appropriate level, while routine management remains delegated. Further information on PRINCE2's governance framework is available from PeopleCert's PRINCE2 overview and PRINCE2.com's summary of the PRINCE2 processes.

QUESTION NO: 7

During previous projects, stakeholders became confused when using a number of separate project registers. Therefore, when preparing the risk management approach, the project manager created a risk register template and added it to an integrated project register. This register is a spreadsheet that includes project assumptions, issues, dependencies, and now risks, on separate pages.

Is this appropriate for a risk register, and why?

A. Yes, because the project registers should be tailored to meet the needs of the organization.

B. Yes, because risks are often identified as a result of issues being raised.

C. No, because an integrated project register should include the quality register as well.

D. No, because assumptions and dependencies are sources of risk.

ANSWER: A

Explanation:

Yes, because the project registers should be tailored to meet the needs of the organization. PRINCE2 applies the principle of tailoring: management approaches, controls, techniques, and records are selected and adapted to suit the project's environment, scale, complexity, stakeholders, and governance requirements. There is no requirement for a risk register to be maintained as a standalone document or in a particular software tool. A spreadsheet-based integrated register can therefore be appropriate when it makes project information clearer and easier for stakeholders to use.

The important point is that the risk-register section still provides the information needed to manage each risk effectively. This includes a clear description of the threat or opportunity, its likelihood and impact, planned risk responses, the person accountable for managing it, relevant actions, and its current status. Keeping assumptions, issues, dependencies, and risks on distinct, controlled pages can also support traceability, because these project elements are closely related and may trigger updates to one another. The risk management approach should define how the integrated register will be maintained, accessed, reviewed, version-controlled, and reported so that risk information remains reliable throughout the project. This is a practical application of PRINCE2 tailoring rather than a departure from the method. See the PeopleCert PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 8 - (DRAG DROP)

DRAG DROP

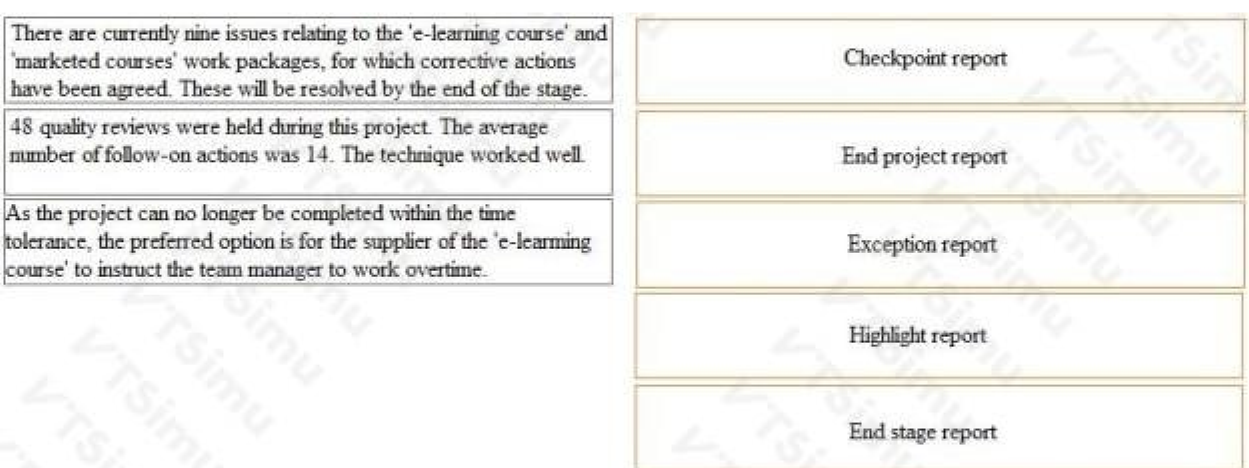
PROGRESS

Here are three statements relating to controlling the progress of the project.

In which management product (A-E) should each statement be recorded?

Choose only one product for each statement. Each product can be used once, more than once, or not at all.

Select and Place:



ANSWER:

There are currently nine issues relating to the 'e-learning course' and 'marketed courses' work packages, for which corrective actions have been agreed. These will be resolved by the end of the stage.	There are currently nine issues relating to the 'e-learning course' and 'marketed courses' work packages, for which corrective actions have been agreed. These will be resolved by the end of the stage.
48 quality reviews were held during this project. The average number of follow-on actions was 14. The technique worked well.	48 quality reviews were held during this project. The average number of follow-on actions was 14. The technique worked well.
As the project can no longer be completed within the time tolerance, the preferred option is for the supplier of the 'e-learning course' to instruct the team manager to work overtime.	As the project can no longer be completed within the time tolerance, the preferred option is for the supplier of the 'e-learning course' to instruct the team manager to work overtime.
	Highlight report
	End stage report

Explanation:

A Checkpoint report is the regular progress report supplied by a team manager to the project manager for one or more work packages. Its purpose is to give sufficiently detailed information for the project manager to control work-package delivery. This includes progress achieved, work still to be done, forecasts, and any issues or risks affecting the work. Therefore, the statement identifying nine issues within the “e-learning course” and “marketed courses” work packages, confirming that corrective actions have been agreed, and forecasting resolution by the end of the stage should be recorded in a Checkpoint report.

An Exception report is required when a stage or project is forecast to exceed an agreed tolerance. It describes the exception, its impact, available options, and a recommendation for the decision-maker. A forecast that the project cannot be completed within its time tolerance, together with a preferred recovery action involving the supplier and team manager, is exactly the information needed for an Exception report.

An End project report is produced towards project closure and evaluates the project’s performance. It records whether objectives were achieved and captures relevant experience for future work. The reported number of quality reviews, the average follow-on actions, and the observation that the review technique worked well provide useful evidence of quality-management performance and lessons from the completed project. This makes the End project report the appropriate product for that statement. The official PRINCE2 certification information from PeopleCert provides the governing framework, while AXELOS PRINCE2 guidance describes the method’s focus on controlled progress, tolerances, reporting, and learning from experience.

QUESTION NO: 9

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

A. The justification for the project must remain the same throughout the project.

B. The justification for the project should remain valid.

C. The justification for the project may change.

D. If the project is no longer justified it should be stopped.

ANSWER: A

Explanation:

The justification for the project must remain the same throughout the project. is the false statement. PRINCE2 requires that a project have a valid business justification at the outset and that this justification is reviewed throughout the project life cycle. However, the justification does not have to remain unchanged. Business circumstances, expected benefits, costs, risks, delivery forecasts, or strategic priorities can change, and the Business Case should be updated to reflect relevant changes. The key control is that the project must continue to offer sufficient value and remain aligned with the organization’s objectives after those changes are considered.

Continued business justification supports informed governance decisions at key points in the project, particularly stage boundaries and when exceptions are escalated. If review shows that the expected benefits no longer justify the forecast investment, risk exposure, or resource commitment, the project board should decide whether to amend, pause, or stop the project. This ensures that organizational resources are not committed merely because work has already begun. PRINCE2 describes business justification as an ongoing principle rather than a one-time approval; see the PeopleCert PRINCE2 7 certification overview and the PeopleCert certification guidance.

QUESTION NO: 10 - (SIMULATION)

Project Scenario – Health and Safety Training Project:

ABC Company is a well-established training company that uses a standard model to develop training materials and deliver courses to customers.

ABC Company has commissioned a project in response to recent changes in government legislation relating to health and safety on construction sites. The project will deliver "capability to provide health and safety training", including the materials needed for classroom-based training and e-learning. The expected benefits for construction companies include a reduction in lost days and legal costs due to accidents.

The e-learning course will be developed by a specialist external consultancy. The materials for classroom-based training will be delivered by ABC Company's development team. All course materials will be piloted before they are used. ABC Company will deliver training to its customers and also hopes to sell the course materials to other training companies as part of their operational business. ABC Company will use their own sales and marketing departments to promote the courses.

The legislation requires construction companies to comply with the new legislation within two years. The course materials and trainers have to be accredited by a government agency before courses can be delivered. ABC Company is planning to deliver pilot courses within five months of starting the project.

The ABC Company standard development model for new courses recommends the following stages:

Stage 1	Initiation stage
Stage 2	Classroom-based training materials Marketing materials Training venue specifications Accredited classroom-based course
Stage 3	E-learning course Amended course booking procedures Marketed courses Planned pilot courses Updated corporate quality procedures Accredited e-learning course Accredited trainers
Stage 4	Delivered pilot courses Finalized materials Project product: Capability to provide health and safety training

End of the Project scenario.

Additional Information:

The Chief Executive Officer (CEO) founded the company five years ago. Under her leadership, ABC Company has grown quickly into a successful training company. It delivers a range of accredited professional training.

The Finance Director is also a founder member of ABC Company and is responsible for authorizing budgets for the Operations and Development Teams. She authorizes all large contracts personally.

The Purchasing Manager reports to the Finance Director and is responsible for managing and monitoring supplier contracts.

The Operations Director is responsible for the delivery off all training and for the training development budget. His department organizes courses, venues and trainers. They work with the Product and the Sales teams to provide a comprehensive training schedule. ABC Company's IT manager reports to the Operations Director.

The Business Development Director has recently been appointed to identify new training needs and propose new products. She will work with the Operations. Director to ensure a cost-conscious approach and that appropriate development technologies are used for the health and safety course.

The Training Development Manager reports to the Business Development Director and is responsible for developing training materials and gaining accreditation, in accordance with the standard course development model. Course developers in his team have skills in a range of development technologies and are allocated to projects as needed.

The Training Delivery Manager, who reports to the Operations Director, is responsible for ensuring that internal and external trainers deliver ABC Company training courses to the required standard. He also checks course materials to ensure they are fit for purpose and of the required quality.

The Central Services Director has responsibility for corporate communications, facilities management and configuration management. He recently led a project to consolidate all company quality systems into one quality management system and set up a corporate quality department, now managed by the Corporate Quality Manager.

The Corporate Document Manager reports to the Central Services Director. She helped establish the company's document management system and now operates it across the business. She manages a team of administrators and contracts staff when workload is high.

The Sales Director joined ABC Company two months ago and is keen to establish himself by suggesting new markets for the courses and material. All account managers and the marketing team report to him. They promote existing training courses to other training companies and existing customers.

End of the additional information.

PLANS

Here are three events to managing plans for the project.

In which management product (A-E) should the result of each event be recorded?

Choose only one product for each event. Each product can be used once, more than once or not at all.

Project plan	The project manager instructs the team manager to take corrective action, which will keep costs within the overall project and stage tolerances.
Stage plan	The operations Director tells the project manager during stage 3, that 50% of the Learn-it trainers have been accredited. The remainder will be accredited within the agreed tolerances.
Team plan	The project manager is instructed to produce a replacement plan to the current stage, to be presented to the project board at a meeting the following week.
Exception plan	
Work package	
Project product description	

ANSWER: See the explanation for the answer

Explanation:

Correct mapping:

The project manager instructs the team manager to take corrective action... → Work package.
During stage 3, 50% of the Learn-it trainers have been accredited... → Stage plan.
The project manager is instructed to produce a replacement plan to the current stage... → Exception plan.

A work package is the mechanism through which the project manager agrees and communicates work, constraints and any necessary corrective action to a team manager. Progress and forecasts for work being undertaken in the current stage are assessed against the **stage plan**. A replacement plan required because of an exception is an **exception plan**, which is submitted to the project board for approval.

QUESTION NO: 11

MANAGING A STAGE BOUNDARY

At the end of stage 3, the pilot courses have been planned and this work revealed that sales of the health and safety training course were expected to be higher than originally expected. Therefore, the project manager revised the sales forecast for the course. This revised forecast needs to be both reviewed and approved.

Who should review this forecast after it has been updated as part of the 'update the business case' activity?

A. ABC Company's board of directors including the Chief Executive Officer

B. The Business Development Director who is the executive

C. The Operations Director who is the senior user

D. The team manager for the 'delivered pilot courses' work package

ANSWER: B

Explanation:

The Business Development Director who is the executive should review the revised sales forecast. In PRINCE2, the Executive is the single point of accountability for the project's continued business justification and is responsible for the Business Case. A revised sales forecast changes the expected benefits and, potentially, the forecast return on investment, costs, timescales, risks, and overall viability recorded in that case. It therefore needs review by the Executive before the Project Board makes its stage-boundary decision.

During the Managing a Stage Boundary process, the project manager updates the Business Case to reflect the latest information and forecasts. The Executive's review confirms that the revised forecast is credible and that the project still represents a worthwhile investment for the organization. This review provides the business perspective needed for informed authorization of the next stage. The Executive should ensure that the Business Case remains valid throughout the project, rather than treating its original assumptions as fixed. PRINCE2's continued business justification principle requires the project to remain desirable, viable, and achievable as circumstances and forecasts change. See PRINCE2 Business Case guidance and AXELOS overview of PRINCE2.

QUESTION NO: 12

Scenario

Additional Information

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

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

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

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

A number of alternatives were explored, including:

20% discount for all repeat customers - not cost-effective and very short term

A promotional calendar as a free Christmas gift - would target current and prospective customers and the benefits would last into a second year

A series of television and press advertisements was too expensive

A direct mail shot to all customers - benefit would be short term

Creation of an internet website - would not suit all customers

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

Using the Project Scenario and the additional Information provided for this question In the Scenario Booklet, answer the following question.

Which 2 statements should be recorded under the Reasons heading?

A. The Marketing department believes that sending a promotional calendar to current and prospective customers will increase orders by at least 10%.

B. 10% of customers have not re-ordered in this financial year.

C. 1,500 orders are expected, each with an average profit of £2k.

D. The Marketing department believes that the effect of a good company image, portrayed by a successful calendar, will last into a second year.

E. MNO Manufacturing is experiencing a fall in orders due in part to the increased marketing activities of its competitors.

ANSWER: B E

Explanation:

In PRINCE2, the Business Case's Reasons heading records the business problem, opportunity, or need that justifies undertaking the project. It establishes the current unsatisfactory position that the project is intended to address, rather than describing a forecast benefit, a financial estimate, or an anticipated longer-term effect. "10% of customers have not re-ordered in this financial year" is a factual indication of customer loss and declining repeat business. It therefore directly evidences the business problem requiring management attention. "MNO Manufacturing is experiencing a fall in orders due in part to the increased marketing activities of its competitors" identifies both the adverse business condition and an important external cause. This provides the strategic rationale for considering action to strengthen marketing activity and customer engagement through the promotional calendar project.

Together, these statements explain why intervention is necessary now: orders are falling, customer retention has weakened, and competitive marketing pressure is contributing to the situation. This is the appropriate foundation for the Business Case before defining the selected option, expected order growth, costs, risks, and measurable benefits. PRINCE2 requires continued business justification throughout the project lifecycle, with the Business Case documenting the rationale for investment and decision-making. See PeopleCert's PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 13

Scenario:

The Ministry of Food Hygiene (MFH) has a quality management system which contains a document control process to manage all documentation requirements. The document control process was created by the MFH Quality Manager, who now maintains all of MFH ' s documents and performs an organization-wide configuration management role. The MFH Quality Manager will administer the configuration management procedure for the Restructuring project since this must comply with the MFH document control process.

According to PRINCE2, which statement about the Configuration Management Strategy for the Outsourcing project is correct?

A. Every project needs a Configuration Management Strategy, even if the organization has existing configuration management standards, because every project has different circumstances.

B. A separate Configuration Management Strategy will be required for each of the suppliers within this project because each will have a different way of managing and storing products.

C. A Configuration Management Strategy is unnecessary for this project because the MFH document control process is documented. It is acceptable simply to reference this in the Quality Management Strategy.

ANSWER: A

Explanation:

Every project needs a Configuration Management Strategy, even if the organization has existing configuration management standards, because every project has different circumstances. is correct. PRINCE2 requires the project to define how its products, product records, versions, baselines, status accounting, issue control, and change control will be managed. This is achieved through a Configuration Management Strategy that is appropriate to the project's particular scale, complexity, delivery arrangements, controls, and organizational context.

Existing organizational document-control and configuration-management procedures are valuable inputs. The project strategy should align with them and can adopt or reference applicable corporate standards, rather than unnecessarily recreating them. However, the project must still establish the project-specific application of those controls: for example, the configuration item scope, responsibilities, required records, tools or repositories, approval arrangements, and interfaces with suppliers. The fact that an organizational Quality Manager performs a central configuration-management role does not remove the need to define these project-level arrangements. This ensures that product integrity and traceability are maintained throughout the project lifecycle while complying with the organization's governance framework.

PRINCE2 guidance describes tailoring management approaches to the project environment and using them to establish controlled project practices. See PeopleCert PRINCE2 and PRINCE2 best-practice guidance.

QUESTION NO: 14

The project is approaching the end of stage 1. A key assumption in the Business Case was that the organization could reuse an existing reporting system. A technical assessment now shows that the system cannot support the required volume of transactions, and a new system licence will be needed.

What should the project manager do as part of managing a stage boundary?

A. Update the Business Case to assess the effect of the new licence on project viability.

B. Record the assessment as a lesson and retain the original Business Case.

C. Authorize the licence purchase because it is necessary to complete the project.

D. Ask the senior supplier to approve the revised project budget.

ANSWER: A

Explanation:

The project manager should update the Business Case to assess the effect of the new licence on the project's costs, benefits, risks and viability. The original assumption has been disproved, so the forecast basis on which the project was justified must be revised before the project board decides whether to authorize the next stage.

Managing a Stage Boundary provides current information for the project board's decision. The project manager should also update relevant plans and include the revised forecast in the end-stage report and next stage plan as appropriate. The project board, not the project manager, decides whether the changed Business Case still justifies continued investment. See AXELOS PRINCE2 guidance.

QUESTION NO: 15 - (HOTSPOT)

HOTSPOT

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

Hot Area:

	Assertion		Reason	
1	The selected service provider should have their own Business Case for the work they are doing on the Outsourcing project.	True-False A	All project costs, including the cost of work carried out by external suppliers on the project should be included in the customer's Business Case.	True-False
2	The cost of managing the outsourcing contract should be included in the Business Case.	True-False B	The information in the Business Case is used to compare the development, maintenance and operational costs with the value of the benefits over a period of time.	True-False
3	The Business options section of the Business Case will need to be updated if the industry standards for outsourcing. are changed.	True-False C	The Business options section of the Business Case describes options that have been considered to address the business problem.	True-False
4	Any expected benefit from increasing staff flexibility should be included in the Business Case.	True-False D	The Business Case should list each benefit that it is claimed would be achieved by the project's outcome.	True-False
5	The End Project Report should identify whether the expected savings of £2 over 10 years have been achieved.	True-False E	All benefits in the Business Case should be achieved before a project is closed.	True-False
6	The Project Board should ensure that the Benefits Review Plan includes the mechanisms for measuring all the claimed benefits of outsourcing.	True-False F	The Benefits Review Plan is created in the initiation stage.	True-False

ANSWER:

	Assertion		Reason	
1	The selected service provider should have their own Business Case for the work they are doing on the Outsourcing project.	True-False A	All project costs, including the cost of work carried out by external suppliers on the project should be included in the customer's Business Case.	True-False
2	The cost of managing the outsourcing contract should be included in the Business Case.	True-False B	The information in the Business Case is used to compare the development, maintenance and operational costs with the value of the benefits over a period of time.	True-False
3	The Business options section of the Business Case will need to be updated if the industry standards for outsourcing. are changed.	True-False C	The Business options section of the Business Case describes options that have been considered to address the business problem.	True-False
4	Any expected benefit from increasing staff flexibility should be included in the Business Case.	True-False D	The Business Case should list each benefit that it is claimed would be achieved by the project's outcome.	True-False
5	The End Project Report should identify whether the expected savings of £2 over 10 years have been achieved.	True-False E	All benefits in the Business Case should be achieved before a project is closed.	True-False
6	The Project Board should ensure that the Benefits Review Plan includes the mechanisms for measuring all the claimed benefits of outsourcing.	True-False F	The Benefits Review Plan is created in the initiation stage.	True-False

Explanation:

PRINCE2 uses the Business Case to establish and maintain the justification for investment, considering the costs, benefits, risks, timescales and options relevant to the organization making the investment. In an outsourcing context, the customer's Business Case includes all costs needed to obtain the expected value, including the cost of managing the supplier contract. A selected service provider can also require its own Business Case, because it needs to justify the work it will undertake and the resources it will commit. The cost and benefit information supports an assessment of whole-life value by comparing development, maintenance and operational costs with the expected benefits over time.

The Business Case must remain current when material circumstances change. This includes changes that affect the options available to address the business problem, such as relevant outsourcing standards. Expected benefits, including less tangible operational improvements such as increased staff flexibility, are recorded so that the organization can judge whether the project's outcomes are delivering the intended value. Benefits do not all have to be realized before project closure: some are expected after the project has delivered its outputs. These are planned, measured and reviewed through the Benefits Review Plan. The plan is prepared during initiation and defines the timing, responsibilities and measurement approach for benefits reviews. The Project Board ensures that this continuing benefits-management approach is in place. This is consistent with the PRINCE2 focus on continued business justification and its treatment of benefits management; see PeopleCert's PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 16

INITIATING A PROJECT

The project manager is preparing the communication management approach. Several operational departments will be affected by the new service, but their managers have different levels of influence and interest. The project manager proposes sending every department the same monthly email.

Is this an appropriate approach, and why?

A. Yes, because a common communication method ensures that all stakeholders receive identical information.

B. Yes, because operational managers should receive information only through their senior user.

C. No, because stakeholder communication should be tailored to the information needs and influence of each stakeholder group.

D. No, because all stakeholder communication must be approved by the project board before issue.

ANSWER: C

Explanation:

No, because stakeholder communication should be tailored to the information needs and influence of each stakeholder group. A monthly email may form part of the approach, but it is unlikely to provide sufficient engagement for influential stakeholders or address the specific concerns of operational areas affected by the change.

The communication management approach should define how the project will engage with stakeholders, including their interests, communication methods, frequency and responsibilities. Tailoring communication helps ensure that those affected can provide timely input, understand the change and support adoption of the project's products. See PeopleCert PRINCE2 information.

QUESTION NO: 17

Scenario

Additional Information

Extract from the Communication Management Strategy.

The project information in the table below is true, but it may not be recorded under the correct heading or be in the correct document.

Using the Project Scenario, select the appropriate response to each of the following 5 questions which have been raised by the Project Board.

The project is now at the end of the initiation stage. Having decided that the Calendar project is a relatively simple project, the Project Manager combined the Starting Up a Project process and the Initiating a Project process. No Project Brief has been produced. Instead the Project Manager used the project mandate to produce a simple Project Initiation Documentation (PIO). The PIO includes the Business Case, a product checklist and several Product Descriptions, Including the Project Product Description. Short sections are also included for each of the strategies and the controls to be applied. The Project Manager has elected to use the Daily Log to record all risks, issues, lessons and quality - results.

After the initiation stage there will be two further stages during which a small number of Work Packages will be authorized. While these are being managed, the Project Manager will hold regular checkpoints, which will support the production of weekly Highlight Reports to the Project Board.

There is no mention of any Stage Plans, yet there are two further stages proposed. How will this be resolved?

A. It is appropriate for the Calendar project to be run as two further stages as there is a key decision to be made at the end of stage 2. Stage Plans will be produced.

B. Whilst the activities are divided into two further stages, there is no reason why the Calendar project should use stages. The project will therefore be run as a single stage project and the activities will be added to the Initiation Stage Plan.

C. There will be three Stage Plans, the two management stages plus an additional stage to plan and complete the activities of the Closing a Project process.

ANSWER: A

Explanation:

It is appropriate for the Calendar project to be run as two further stages as there is a key decision to be made at the end of stage 2. Stage Plans will be produced. PRINCE2 applies management by stages: the project is divided into management stages so that the Project Board can make informed, controlled decisions about whether to continue, alter, or stop the project at defined points. The stated key decision provides a sound basis for retaining the proposed stage boundary rather than treating all remaining work as one uncontrolled block.

A Stage Plan is required for each management stage and provides the detailed basis for day-to-day control of that stage. Before the Project Board authorizes a further stage, the Project Manager prepares the relevant Stage Plan, including the stage products, activities, resources, controls, tolerances, risks, and reporting arrangements. Therefore, the two post-initiation stages should each be supported by an appropriate Stage Plan and authorized in sequence. Tailoring for a simple project can make those plans proportionate and concise, but it does not remove the need to plan and control agreed management stages. Closing activities are planned within the final management stage rather than automatically creating a separate additional stage. See the PeopleCert PRINCE2 certification overview and PRINCE2 methodology overview.

QUESTION NO: 18

Scenario

A photographer from Portraits Ltd, a professional photographic company, has taken on the role of Team Manager after taking some time to understand the requirements of the project. A contract for their services has been set up and is being monitored by the Purchasing Manager and a Work Package has been agreed. This contract specifies that the photographer must arrange a meeting with the Engineering Manager to establish a schedule for the photo sessions to minimize the impact on the Engineering staff. This meeting should have occurred by now.

The Engineering Manager was made aware of this requirement but when asked he reported that he has received no communication from the photographer. The Project Manager has tried to call the photographer and has had no response. The Project Manager believes there is a risk that Portraits Ltd are overbooking work and prioritizing other clients ' work. If Portraits ltd do not deliver on schedule the project will be delayed and the expected benefits will be reduced.

The contract is to be reviewed and Portraits Ltd reminded of their agreement.

The project is now in stage 2. The Project Manager has heard about the possibility of a competitor also producing a calendar to be delivered earlier than the target date for this project. There is a threat that the early release of a competitor ' s calendar may weaken the impact of the MNO Manufacturing Company calendar, thereby reducing the anticipated benefits of the Calendar project.

Which 2 statements should be recorded under the Roles and responsibilities heading?

A. Each risk will be assigned a risk owner.

B. Risks exceeding the agreed project risk tolerance will be reported to the Project Board.

C. Risk tolerances are allocated to each stage by the Project Manager.

D. Project Assurance will ensure that project risks are identified, assessed and controlled according to the agreed risk management procedure.

E. An external consultant is to facilitate a risk identification workshop.

ANSWER: A D

Explanation:

“Each risk will be assigned a risk owner” belongs under roles and responsibilities because the risk owner is a defined project role. The risk owner is accountable for managing, monitoring and controlling a specific risk, including ensuring that an appropriate response is selected and remains effective. Explicitly assigning this accountability prevents important threats, such as supplier non-performance or competitor activity affecting planned benefits, from being left unmanaged.

“Project Assurance will ensure that project risks are identified, assessed and controlled according to the agreed risk management procedure” also defines a responsibility. In PRINCE2, Project Assurance independently monitors whether the project is being conducted properly on behalf of the Project Board. Its assurance activities include checking that risk management is effective and follows the agreed management approach. Recording this responsibility makes clear who provides independent oversight of the Project Manager’s risk-management work.

A risk management approach should document the responsibilities of the people and roles involved in risk management, alongside the procedure, timing, reporting requirements, and tolerances. Assigning risk ownership and assurance responsibilities is therefore directly relevant to this heading. PRINCE2's risk practice is summarized by PRINCE2.com's risk-management guidance; the official PRINCE2 method is maintained by PeopleCert.

QUESTION NO: 19

Which 2 statements should be recorded in a benefits management approach?

A. The Operations Manager will measure the reduction in call-handling time three months after the new service is introduced.

B. Supervisors will provide refresher training before the new service goes live.

C. The technical team will use automated testing to verify the new service.

D. The project manager will issue a checkpoint report every Friday.

E. The supplier will retain the source code in its configuration-management system.

ANSWER: A B

Explanation:

"The Operations Manager will measure the reduction in call-handling time three months after the new service is introduced" is appropriate because it identifies responsibility, timing and a measure for reviewing a benefit. Benefits may be realized after project closure, so clear ownership and review timing are needed.

"Supervisors will provide refresher training before the new service goes live" is also appropriate because it describes an action required to achieve the outcome from which the benefit is expected to arise. A benefits management approach records how benefits will be measured and the actions, responsibilities and timescales needed to support their realization. See PeopleCert PRINCE2 information.

QUESTION NO: 20

Which 2 statements should be recorded under the Timescale heading?

A. The contract with the selected service provider will be agreed during stage 3.

B. The expected benefits will be calculated over 10 years from completion of the project.

C. If more MFH divisions are added to the scope of the services to be outsourced, the project timescale will be extended and the realization of benefits will be delayed.

D. The expected benefits should start to be realized as soon as the outsourced services become operational at the end of stage 4.

E. The transfer of equipment and staff is estimated to take six weeks.

ANSWER: A B

Explanation:

In the PRINCE2 Business Case, the Timescale heading records both the period during which the project will be delivered and the period over which its benefits are expected to be realized. "The contract with the selected service provider will be agreed during stage 3" is appropriate because it identifies a time-bound delivery milestone within the project lifecycle. Agreeing the contract is a significant event that helps describe when the project's planned work and key decisions will occur.

"The expected benefits will be calculated over 10 years from completion of the project" is also appropriate because it defines the benefits-realization horizon. PRINCE2 distinguishes the project's delivery timeframe from the potentially longer period in which measurable benefits accrue after the project has closed. Stating the ten-year period enables decision makers to assess the investment over the relevant timeframe and supports subsequent benefits review and measurement. Together, these statements provide the delivery and benefits timescales needed for a sound Business Case. PRINCE2's methodology and its focus on continued business justification are outlined by PRINCE2.com and AXELOS.

QUESTION NO: 21

Which 2 statements apply to either the Reporting arrangements or Problem handling and escalation sections?

A. Replace entry 8 with 'Checkpoint Report every Monday by 10.00 am' because Highlight Reports are intended for the Project Board.

B. Delete entry 9 because this level of detail is unnecessary.

C. Move entry 10 to Problem handling and escalation because that section describes how issues are handled.

D. Add 'Any risks identified to be added to the Risk Register' to Reporting arrangements.

E. Delete entry 11 because the impact analysis should be provided when the issue is notified.

ANSWER: D E

Explanation:

Adding "Any risks identified to be added to the Risk Register" to Reporting arrangements is appropriate because reporting is not solely a mechanism for communicating status. It must also ensure that information emerging through reporting is captured and acted upon through the project's management controls. A newly identified risk needs to be recorded in the Risk Register so that it can be assessed, assigned an owner, and managed in accordance with the project's risk-management approach. Stating this action within the reporting arrangements makes the required follow-up clear when reports identify new threats or opportunities.

Deleting entry 11 is also appropriate because impact analysis should accompany the notification of an issue. Promptly supplying the issue's likely effect on objectives, tolerances, products, schedule, costs, benefits, or risks enables the Project Manager to assess it efficiently and decide whether escalation is required. This supports timely, informed control rather than delaying essential information until a later point in the handling process. PRINCE2 treats issue and change control as a structured process in which issues are captured, assessed, and escalated according to defined arrangements. See PeopleCert's PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 22

During the initiation stage the project management team have reviewed and updated the project product description. They have created a project plan, which separates the project into management stages.

Which reason explains why this is a good application of the 'focus on products' principle?

A. The project manager needs to plan the work so the products can be delivered

B. Products should be agreed collaboratively with the users to ensure user acceptance

C. A project needs to be delivered management stage by management stage

D. Projects should focus on what is going to be delivered including the acceptance criteria

ANSWER: D

Explanation:

Projects should focus on what is going to be delivered including the acceptance criteria is correct because the PRINCE2 focus on products principle requires the project to define its intended products clearly before planning the activities needed to create them. The project product description establishes the project's overall product, including its purpose, composition, quality expectations, acceptance criteria, and acceptance method. This gives the project management team and stakeholders a shared understanding of what successful delivery means.

Using this product-based definition to develop the project plan is a sound application of the principle. The work, resources, controls, and management stages can then be planned around producing, reviewing, and approving defined products. Management stages provide decision points and control boundaries, but their effective design depends on knowing which products and acceptance requirements must be met within the project. Clear acceptance criteria also enable objective confirmation that the completed project product is fit for purpose and can be accepted by those accountable for its use or benefits.

PRINCE2 describes product focus as defining products and their quality criteria first, then planning the work required to deliver them. See PeopleCert's PRINCE2 7 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 23

Scenario

Additional Information

Chief Executive Officer (CEO): He started the company 25 years ago and knows his job very well. He injured his leg two years ago which has restricted his visits to the engineering area. As CEO he has an overall perspective of the business strategic requirements and the authority to commit resources as required.

Marketing Director: She has been with the company for three years, following a successful career with a publicity company. She has the ability to represent the needs of the business, particularly as this is a marketing project. She has the authority to commit the annual business marketing budget, from which the project will be funded, as she sees appropriate. She will be responsible for monitoring the expected benefits of the calendar, in particular the improvement of the company's image.

Engineering Manager: He has been responsible for many engineering innovations in the company and is still as keen and energetic as the day he started. VVhilst he will not be part of the project team, his staff will feature in the photos for the promotional calendar.

Central Records: This group of five staff looks after all company records and document control. They now maintain all project files.

Bright Lights: This is the local office supplies company. It supplies all the stationery and office equipment needs of the company and will supply the stationery for this project.

Portraits ltd: This is a professional photographic company with a number of excellent photographers and a history of successful work. This company has been selected to take the photos for the company calendar. It has yet to be decided which of the photographers to use.

Which 2 statements explain why the Purchasing Manager should be appointed as a Senior Supplier for this project?

A. He is responsible for the organization's procurement activities.

B. He is responsible for the performance of supplier contracts.

C. He was an engineer and worked in that area before taking up his current position.

D. He can influence the external supplier's Business Case.

E. He is not appropriate for the role of Executive or Senior User.

ANSWER: A B

Explanation:

The Purchasing Manager is an appropriate Senior Supplier because he is responsible for the organization's procurement activities and is responsible for the performance of supplier contracts. In PRINCE2, the Senior Supplier represents the interests of those who provide the specialist resources and expertise used to create the project's products. For this calendar project, that includes obtaining and managing externally supplied goods and services, particularly the photography service and project stationery.

A Senior Supplier must have sufficient authority to commit, or secure, supplier resources and must be able to ensure that supplier arrangements support the project's agreed requirements, quality expectations, schedule, and commercial commitments. Responsibility for organizational procurement gives the Purchasing Manager the relevant expertise and authority to establish suitable purchasing arrangements. Responsibility for supplier-contract performance also enables him to represent the supplier side effectively at Project Board level, oversee whether contracted supply is delivering as required, and address procurement or contractual matters that could affect delivery.

This appointment supports the PRINCE2 principle that Project Board roles are assigned to people with the authority, knowledge, and availability needed to make decisions in the project's interests. See PeopleCert's PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 24

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

A. Produce a promotional calendar as a free Christmas gift to current and prospective customers.

B. Use a professional photographer to create the photographs for the calendar.

C. Create the photographs for the calendar internally.

D. Outsource the creation of the calendar to a professional marketing company.

E. Do nothing.

ANSWER: A E

Explanation:

"Produce a promotional calendar as a free Christmas gift to current and prospective customers." belongs under Business options because it describes a viable strategic response: undertaking an initiative that is intended to deliver the stated business benefit of promoting the organisation to customers and prospects. A PRINCE2 business case must set out the options for addressing the business need, so decision-makers can compare the expected benefits, costs, timescales, risks, and implications of pursuing the proposed change.

"Do nothing." must also be documented because it provides the essential baseline against which an investment decision can be made. The do-nothing option identifies the consequences of retaining the status quo, including any missed benefits or continuing business problems. PRINCE2 treats the business case as a living management product, reviewed throughout the project to confirm that the justification for continuing remains valid. Recording both the proposed promotional-calendar response and the baseline alternative supports this continuing-business-justification principle and enables an informed decision on whether the project represents value for money. See the PeopleCert PRINCE2 7 overview and the UK government's Green Book guidance on options appraisal.

QUESTION NO: 25

The project is now in stage 2. The Project Manager has heard about the possibility of a competitor also producing a calendar to be delivered earlier than the target date for this project. There is a threat that the early release of a competitor's calendar may weaken the impact of the MNO Manufacturing Company calendar, thereby reducing the anticipated benefits of the Calendar project.

Which 2 statements should be recorded under the Roles and responsibilities heading?

A. Each risk will be assigned a risk owner.

B. Risks exceeding the agreed project risk tolerance will be reported to the Project Board.

C. Risk tolerances are allocated to each stage by the Project Manager.

D. Project Assurance will ensure that project risks are identified, assessed and controlled according to the agreed risk management procedure.

E. An external consultant is to facilitate a risk identification workshop.

ANSWER: A D

Explanation:

“Each risk will be assigned a risk owner.” belongs under roles and responsibilities because PRINCE2 requires a named risk owner for each risk. The risk owner is accountable for managing, monitoring and controlling the risk, including ensuring that appropriate responses are planned and carried out. Naming this accountability is particularly important for the competitor’s earlier product release, as the threat needs active ownership throughout the stage rather than merely being noted in a register.

“Project Assurance will ensure that project risks are identified, assessed and controlled according to the agreed risk management procedure.” also defines a PRINCE2 role. Project Assurance independently monitors whether the project is being conducted properly on behalf of the Project Board, including checking that the agreed risk-management approach is applied and that risk exposure remains visible and controlled. These responsibilities establish who is accountable for risk action and who provides oversight, which is the purpose of this heading in the risk management approach. PRINCE2 describes risk as an uncertain event or set of events that can affect objectives and emphasizes defined responsibilities for managing it. See PeopleCert’s PRINCE2 7 overview and PRINCE2 risk-management guidance.

QUESTION NO: 26

Which of the following is False?

A Successful project management team should.

A. Have business, user and supplier stakeholder representation

B. Never be reviewed as members should stay with the team for the duration

C. Ensure appropriate governance by defining responsibilities for directing, managing and delivering the project and clearly defining accountability at all levels

D. Have an effective strategy to manage communication flows to and from stakeholders

ANSWER: B

Explanation:

Never be reviewed as members should stay with the team for the duration is the false statement. In PRINCE2, the project management team structure, roles, and responsibilities must remain appropriate to the project’s current circumstances. They are not fixed permanently simply because the project is under way. As the project moves between stages, its scale, risks, specialist requirements, supplier arrangements, organizational context, or stakeholder needs may change. The project board and project manager should therefore ensure that the organization remains fit for purpose, with clear authority, accountability, and sufficient capability to direct, manage, and deliver the work.

This is consistent with PRINCE2’s tailoring principle: the method is applied in a way that is appropriate to the project environment, size, complexity, importance, capability, and risk. Reviewing the team does not necessarily mean replacing members; it means actively confirming that the required roles are filled and that responsibilities continue to support effective governance and delivery. The organization practice also emphasizes defined responsibilities and appropriate representation of business, user, and supplier interests. Further information on PRINCE2 and its principles is available from PeopleCert’s PRINCE2 certification page and AXELOS PRINCE2 resources.

QUESTION NO: 27

During stage 3 work on the 'planned pilot courses' is underway. The costs of the 'delivered pilot courses' have been re-estimated as part of this work. The costs are significantly higher than originally estimated.

Who should review how these costs will affect the business case, and why?

A. Project assurance, because they should ensure continued alignment of the project with corporate standards

B. Project assurance, because they should be involved in assessing the impact of changes on the business case

C. Project support, because they should ensure that the business case is baselined and kept under change control

D. Project support, because they should advise the project manager of any changes that will affect the business case

ANSWER: B

Explanation:

Project assurance, because they should be involved in assessing the impact of changes on the business case. In PRINCE2, project assurance independently supports the Project Board by monitoring whether the project remains viable and aligned with the justification for investment. This includes considering whether forecast costs, expected benefits, risks, and timescales still support the Business Case. A significant increase in the estimated costs of delivered pilot courses may reduce anticipated value for money or make the project's remaining investment unjustifiable. Project assurance should therefore review the effect of the revised forecast and provide the Project Board with objective information on the continued validity of the Business Case.

This review is particularly important while work is progressing within a stage, because PRINCE2 requires continued business justification throughout the project life cycle rather than treating approval of the original Business Case as a one-time decision. The resulting assessment enables informed governance decisions, such as whether to continue on the existing basis, revise plans and tolerances, or escalate the matter for a Project Board decision. PRINCE2 describes project assurance as a Project Board support function that provides independent confidence in the project's ongoing viability and governance. See the PeopleCert PRINCE2 overview and the PRINCE2 guidance on roles and responsibilities.

QUESTION NO: 28

Scenario:

Techniques, processes and procedures

1. Any threat that may result in a loss of MFH data must be escalated immediately.

Joint agreements

2. Work is to start at the beginning of week 2 (Stage 4).

3. The project will take two years to complete, at an estimated cost of £2.5m.

Tolerances

4. None.

Constraints

5. MFH staff must not be involved in any heavy lifting during the removal of existing IT equipment.

6. Installation work must take place during MFH normal working hours.

7. +£10,000 / -£25,000.

Reporting arrangements

8. Highlight Report every Monday by 10.00 am.

9. The report must contain a summary of all products worked on during the previous week.

10. Project Manager must be notified of any issues immediately by telephone.

Problem handling and escalation

11. Impact analysis of all issues must be completed within 24 hours.

Extracts or references

12. The Stage Plan for stage 4 is available from Project Support.

Approval method

13. Project Assurance will review the completed Work Package and confirm completion.

Which 2 statements apply to either the Development Interfaces or Operations and maintenance interfaces sections?

A. Delete entry 2 because this interface will be contained in the Communication Management Strategy.

B. Delete entry 3 because this interface will be contained in the project control section of the Project Initiation Documentation.

C. Amend entry 4 to 'The transferred products relating to the services provided by the Facilities Division'.

D. Add 'Project Board, with responsibility for communicating progress to corporate management' to

E. Operations and maintenance Interfaces.

F. Add 'Facilities Team Manager, with responsibility for the transfer of services provided by the Facilities Division' to Development Interfaces.

ANSWER: D F

Explanation:

“Add 'Project Board, with responsibility for communicating progress to corporate management' to” applies because a Work Package must identify the relevant organizational interface through which project progress is communicated beyond the delivery team. Recording the Project Board’s responsibility to communicate with corporate management makes the required governance and communication relationship explicit. This provides the team manager with a clear understanding of the stakeholder relationship that must be supported while the work is being undertaken.

“Add 'Facilities Team Manager, with responsibility for the transfer of services provided by the Facilities Division' to Development Interfaces.” also applies because the Facilities Team Manager is an external operational stakeholder whose involvement is needed while the products and service transition are being developed. Identifying this role establishes who must coordinate the Facilities Division’s service-transfer activities with the project team. PRINCE2 work packages define the work to be delivered and the interfaces that need active management, enabling appropriate coordination between the team undertaking the work and organizational areas affected by it. This supports the PRINCE2 principles of defined roles and responsibilities and management by stages. See PeopleCert PRINCE2 certification information and AXELOS PRINCE2 guidance.

QUESTION NO: 29

Which 2 statements should be recorded under the Major risks heading?

A. Due to market conditions a suitable service provider may not be found, possibly leading to premature closure of the project.

B. Owing to employment contract changes staff may resist outsourcing, which would make it difficult to transfer staff to the selected service provider.

C. MFH's operations may be reduced and the 1a-year contract may not achieve its estimated value of £80m, which would reduce the service provider's profit.

D. The initial estimates, taken from the feasibility study report, indicate that the project will take two years to complete, which means that the business problems would remain for this period.

E. The management stages recommended by the consultants may not be appropriate, resulting in confusion in planning.

ANSWER: B D

Explanation:

“Owing to employment contract changes staff may resist outsourcing, which would make it difficult to transfer staff to the selected service provider.” is a major risk because it identifies an uncertain people-related event and a clear consequence that could materially affect delivery of the outsourcing outcome. The ability to transfer the required staff is central to achieving the intended operational model, so resistance requires early management attention and escalation as appropriate.

“The initial estimates, taken from the feasibility study report, indicate that the project will take two years to complete, which means that the business problems would remain for this period.” should also be recorded as a major risk because the extended period before implementation exposes the business case to continued operational problems and delays the realization of expected benefits. At the project’s outset, feasibility-based estimates carry uncertainty, and a lengthy delivery period can have a significant effect on whether the project remains justified and tolerable.

PRINCE2 requires risks that could affect the project’s objectives, business justification, benefits, timescales, or viability to be identified and managed. The major-risks summary gives decision-makers early visibility of significant threats requiring consideration as the project is authorized and directed. See PeopleCert’s PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 30

Which 2 statements explain why a product description should be prepared before planning the activities needed to create a specialist product?

A. It identifies the quality criteria that the completed product must satisfy.

B. It identifies the product's components and the work needed to create them.

C. It authorizes the team manager to begin specialist work.

D. It defines the time and cost tolerances for the work package.

E. It confirms which individual team members will perform each activity.

ANSWER: A B

Explanation:

A product description defines the product's purpose, composition, quality criteria and quality-control methods. This information enables the project team to determine what must be produced and the work needed to demonstrate that it is fit for purpose.

PRINCE2 uses product-based planning so that activities are derived from the products required, rather than defining work before the required outputs are understood. Assigning work-package tolerances and identifying individual resources are planning decisions that can follow once the products and work have been defined. See PeopleCert PRINCE2 information.

QUESTION NO: 31

The project is now closed. The expected increase in revenue is not being achieved. It has been agreed with the team manager for the ‘marketing materials’ that additional marketing activities will be undertaken to achieve the expected increase in revenue.

Who should be responsible for monitoring the results of the marketing activities, and why?

A. Senior user, because this person is responsible for realizing the benefits post-project.

B. Senior user, because this person is responsible for specifying the desired from the project.

C. The team manager for the ‘marketing materials’, because this person has the skills to demonstrate that the activities are effective.

D. The team manager for the ‘marketing materials’, because the project board is disbanded at the end of the project.

ANSWER: A

Explanation:

The correct responsibility remains with the senior user because this role represents those who will use, operate, maintain, or gain benefit from the project’s products. In this case, the increase in revenue is an expected benefit, and the additional marketing activities are intended to enable that benefit to be achieved after the project has closed. PRINCE2 distinguishes delivery of project products from realization of benefits: a project can deliver its agreed outputs successfully while benefits arise later through business-as-usual activity.

The Benefits Management Approach defines how and when benefits will be measured and reviewed, including reviews that occur after project closure. The senior user has the ongoing business perspective needed to ensure that the products are used effectively and that planned benefit reviews take place. Monitoring the outcome of the post-project marketing activities therefore supports confirmation of whether the expected revenue increase is ultimately being realized. This responsibility does not end merely because the project management team and Project Board have been disbanded. PRINCE2's focus on continued business justification makes post-project benefit review an essential part of determining whether the investment has delivered the intended value. See PeopleCert's PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 32

Project Scenario – Health and Safety Training Project:

ABC Company is a well-established training company that uses a standard model to develop training materials and deliver courses to customers.

ABC Company has commissioned a project in response to recent changes in government legislation relating to health and safety on construction sites. The project will deliver "capability to provide health and safety training", including the materials needed for classroom-based training and e-learning. The expected benefits for construction companies include a reduction in lost days and legal costs due to accidents.

The e-learning course will be developed by a specialist external consultancy. The materials for classroom-based training will be delivered by ABC Company's development team. All course materials will be piloted before they are used. ABC Company will deliver training to its customers and also hopes to sell the course materials to other training companies as part of their operational business. ABC Company will use their own sales and marketing departments to promote the courses.

The legislation requires construction companies to comply with the new legislation within two years. The course materials and trainers have to be accredited by a government agency before courses can be delivered. ABC Company is planning to deliver pilot courses within five months of starting the project.

The ABC Company standard development model for new courses recommends the following stages:

End of the Project scenario.

Additional Information:

The Chief Executive Officer (CEO) founded the company five years ago. Under her leadership, ABC Company has grown quickly into a successful training company. It delivers a range of accredited professional training.

The Finance Director is also a founder member of ABC Company and is responsible for authorizing budgets for the Operations and Development Teams. She authorizes all large contracts personally.

The Purchasing Manager reports to the Finance Director and is responsible for managing and monitoring supplier contracts.

The Operations Director is responsible for the delivery off all training and for the training development budget. His department organizes courses, venues and trainers. They work with the Product and the Sales teams to provide a comprehensive training schedule. ABC Company's IT manager reports to the Operations Director.

The Business Development Director has recently been appointed to identify new training needs and propose new products. She will work with the Operations. Director to ensure a cost-conscious approach and that appropriate development technologies are used for the health and safety course.

The Training Development Manager reports to the Business Development Director and is responsible for developing training materials and gaining accreditation, in accordance with the standard course development model. Course developers in his team have skills in a range of development technologies and are allocated to projects as needed.

The Training Delivery Manager, who reports to the Operations Director, is responsible for ensuring that internal and external trainers deliver ABC Company training courses to the required standard. He also checks course materials to ensure they are fit for purpose and of the required quality.

The Central Services Director has responsibility for corporate communications, facilities management and configuration management. He recently led a project to consolidate all company quality systems into one quality management system and set up a corporate quality department, now managed by the Corporate Quality Manager.

The Corporate Document Manager reports to the Central Services Director. She helped establish the company's document management system and now operates it across the business. She manages a team of administrators and contracts staff when workload is high.

The Sales Director joined ABC Company two months ago and is keen to establish himself by suggesting new markets for the courses and material. All account managers and the marketing team report to him. They promote existing training courses to other training companies and existing customers.

End of the additional information.

Towards the end of stage 2, the stage 3 plan is being prepared. This includes the work required to promote the new courses to other training companies. In addition to the current ways of marketing the courses, the Sales Director wants to advertise in trade magazines. The likely costs involved and the opportunities it may bring have been identified.

As part of the 'update the project plan' activity, what should the project manager be responsible for?

A. Creating time and cost tolerances for the delivery of the magazine advertisements.

B. Creating the product description, with detailed quality criteria, for the magazine advertisements.

C. Recording the effect of implementing the magazine advertisements on the overall time and cost of the project.

D. Recording changes to ABC Company risk appetite as a result of using the magazine advertisements.

ANSWER: C

Explanation:

Recording the effect of implementing the magazine advertisements on the overall time and cost of the project is correct. During the Managing a Stage Boundary process, the project manager updates the Project Plan so that it remains a realistic forecast of the project as a whole. This includes incorporating the implications of decisions, changes, new estimates, and planned work for the forthcoming stage. Here, the proposed trade-magazine advertising introduces additional promotional work whose likely cost and potential opportunity have already been identified. The project manager should therefore assess and record its forecast impact on the project's overall schedule and budget within the updated Project Plan. This gives the project board reliable information when reviewing the next Stage Plan and deciding whether continued investment remains justified and within the project's approved controls. The updated plan is a management forecast, not merely a record of work completed in stage 2; it must reflect the anticipated effect of the planned advertising activity on the remaining project. This use of plans supports PRINCE2's continued business justification principle and its management-by-stages approach. See the official PeopleCert PRINCE2 information page and PRINCE2 best-practice overview.

QUESTION NO: 33

Which 2 statements apply to the Derivation section?

A. Move entry 9 to Composition because this is within the scope of the project.

B. Delete entry 10 because this is NOT a source product for this project.

C. Delete entry 11 as this is already correctly shown under Development Skills required.

D. Move entry 12 to Composition, because this is within the scope of this project.

E. Add 'Professional photographer'.

ANSWER: C D

Explanation:

The Derivation section of a PRINCE2 product description records the source material from which the product is derived, along with any required skills, knowledge, or tools needed to create it. It should not duplicate information that is already correctly recorded elsewhere in the product description. Therefore, deleting entry 11 where it is already correctly shown under Development Skills required maintains a clear, non-duplicated description and ensures that the required capability remains documented in its proper location.

Composition has a different purpose: it identifies the component products or parts that make up the product being described. Where entry 12 is a product or component that is within the project's scope, it belongs in Composition rather than Derivation. Moving it there makes the product breakdown explicit and supports consistent planning, product-based control, and verification of what must be delivered. This distinction between source material and constituent components is central to producing useful, unambiguous product descriptions. PRINCE2 defines product descriptions as specifying the purpose, composition, derivation, development skills, quality criteria, and quality methods for products. See the PRINCE2 methodology overview and PeopleCert PRINCE2 certification information.

QUESTION NO: 34

During the 'create the project plan' activity as part of the initiation stage, the project manager identifies several threats to the project timescales. These threats relate to stage 3 products. Therefore, the project manager decides to wait until the end of stage 2 to assess the risks to the project plan.

Is this an appropriate application of the plans theme, and why?

A. Yes, because detailed planning of stage 3 should take place after completion of the stage 2 products.

B. Yes, because risk planning should take place in the stage plan before the risks occur, not in the project plan.

C. No, because the risks inherent in the project plan should be assessed, and the plan modified to manage them.

D. No, because the risk actions to manage project-level threats should be recorded in the risk register.

ANSWER: C

Explanation:

No, because the risks inherent in the project plan should be assessed, and the plan modified to manage them. In PRINCE2, the project plan is created during initiation to provide the Business Case with an overall forecast of the project's products, activities, resources, timescales, costs, and controls. Although the plan will normally be less detailed for later stages, it must still be realistic and viable. Threats already identified that could affect stage 3 timescales are relevant to that viability, so they must be assessed when the project plan is being prepared rather than deferred until stage 2 ends.

Risk analysis enables appropriate responses to be selected and incorporated into the plan. For example, the project plan may need contingency, changed sequencing, additional resources, tolerances, assumptions, or management controls to address the forecast effect of the threats. The plan can then provide a sound basis for the project board's authorization decisions. PRINCE2 uses progressive elaboration: the stage 3 plan will be produced in greater detail near the end of stage 2, but this does not remove the need to assess known project-level risks promptly and reflect their impact in the high-level project plan. See PeopleCert's PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 35

Which 2 statements apply to the Composition section?

A. Amend entry 2 to 'Selected paper'.

B. Delete entry 3 because this is NOT a major product to be delivered by this project.

C. Move entry 6 to Derivation because this product already exists.

D. Delete entry 7 because these will be produced by the photographer.

E. Add 'Calendars distributed to customers'.

ANSWER: A B

Explanation:

The Composition section of a Project Product Description identifies the major products that collectively make up, or are required to achieve, the project product. It should therefore be a clear, scope-focused list of the tangible products or defined product outcomes that the project must deliver. “Amend entry 2 to 'Selected paper'.” is appropriate because it makes the entry specific and expresses the required product outcome: the project needs an agreed and selected paper specification, rather than an imprecise reference to paper generally. This supports unambiguous planning, product definition, and subsequent quality control.

“Delete entry 3 because this is NOT a major product to be delivered by this project.” is also appropriate. The Composition section is not a general list of activities, supporting arrangements, operational outcomes, or items outside the agreed project scope. Removing a non-major product keeps the Project Product Description aligned with the project’s intended deliverables and ensures that product-based planning is based only on products for which the project is accountable. PRINCE2 describes the project product as the product that the project is designed to deliver and uses product descriptions to define products clearly. See PeopleCert PRINCE2 7 information and AXELOS PRINCE2 guidance.

QUESTION NO: 36 - (HOTSPOT)

HOTSPOT

The project is now in stage 2. The Project Manager has heard about the possibility of a competitor also producing a calendar to be delivered earlier than the target date for this project. There is a threat that the early release of a competitor's calendar may weaken the impact of the MNO Manufacturing Company calendar, thereby reducing the anticipated benefits of the Calendar project.

There is a major concern over an apparent lack of control of project documentation.

For each concern listed in Column 1, select from Column 2 the configuration management task that could help address the problem. Each selection from Column 2 can be used once, more than once or not at all.

Hot Area:

Column 1	Column 2
As a number of people are involved in the project it is becoming increasingly difficult to keep track of what documentation each person has.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
Both current and previous versions of the photo session schedule are in circulation.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
A revised list of customers has been issued but it is not clear what was wrong with the previous one.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
The Marketing department has lost the chosen label design and no copy was made.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
The Marketing department staff cannot say with any certainty which photos were approved and which still require work.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
The Engineering Manager has complained that the photo session schedule has been changed and that no consideration has been given to the impact this will have on the engineering staff shift pattern.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.

ANSWER:

Column 1	Column 2
As a number of people are involved in the project it is becoming increasingly difficult to keep track of what documentation each person has.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
Both current and previous versions of the photo session schedule are in circulation.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
A revised list of customers has been issued but it is not clear what was wrong with the previous one.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
The Marketing department has lost the chosen label design and no copy was made.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
The Marketing department staff cannot say with any certainty which photos were approved and which still require work.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.
The Engineering Manager has complained that the photo session schedule has been changed and that no consideration has been given to the impact this will have on the engineering staff shift pattern.	Produce a Product Status Account. Maintain a record of all copies issued. Record the link between version and the Issue Report that caused its change. Notify copy holders of any changes. Recall and archive superseded product copies. Retain master products, issuing copies only. Maintain a record of relationships between products.

Explanation:

Configuration management provides the controls needed to identify products, control their versions, keep reliable records, and make sure that people use the appropriate approved information. For the concern about many people holding documentation, the useful task is to **notify copy holders of any changes**. This supports controlled distribution by ensuring that everyone known to hold a copy is informed when the controlled product changes.

Where current and previous photo-session schedules are both in circulation, the correct task is to **recall and archive superseded product copies**. This preserves the historical record while removing outdated copies from normal use. When a customer has received a revision and needs clarity about what changed, the configuration record should **record the link between the version and the Issue Report that caused its change**. This gives traceability from the delivered version back to the authorized reason for amendment.

The chosen label design must be protected as the definitive version, so the appropriate control is to **retain master products, issuing copies only**. A controlled master provides an authoritative source from which copies can be distributed. For uncertainty about whether photographs have been approved and what work remains, a **Product Status Account** provides the required current status information. Finally, assessing whether a changed photo-session schedule affects work on another project depends on product dependency information, so the task is to **maintain a record of relationships between products**.

These controls reflect PRINCE2's product-focused approach to configuration management and change control. Further information on the PRINCE2 method is available from [PeopleCert's PRINCE2 certification page] and [PRINCE2.com's configuration management guidance].

QUESTION NO: 37

Towards the end of stage 2, the stage 3 plan is being prepared. This includes the work required to promote the new courses to other training companies. In addition to the current ways of marketing the courses, the Sales Director wants to advertise in trade magazines. The likely costs involved and the opportunities it may bring have been identified.

As part of the ‘update the project plan’ activity, what should the project manager be responsible for?

A. Creating time and cost tolerances for the delivery of the magazine advertisements.

B. Creating the product description, with detailed quality criteria, for the magazine advertisements.

C. Recording the effect of implementing the magazine advertisements on the overall time and cost of the project.

D. Recording changes to ABC Company risk appetite as a result of using the magazine advertisements.

ANSWER: C

Explanation:

Recording the effect of implementing the magazine advertisements on the overall time and cost of the project is correct because the project manager updates the project plan at a stage boundary to reflect the latest forecast for the whole project. The proposed trade-magazine advertising introduces additional planned work, with identified costs and potential benefits. Its impact must therefore be assessed and incorporated into the project-level schedule and budget forecast, so that the project board has an up-to-date basis for authorizing the next stage and confirming that the project remains viable.

In PRINCE2, the project plan is a high-level plan showing the major products, activities, timescales, resources, costs and controls for the project. During the Managing a Stage Boundary process, the project manager prepares the next stage plan and updates the project plan using current information, including changes, actual performance, and revised estimates. Capturing the overall time and cost effect of the advertising activity ensures that the plan reflects the latest expected position rather than only the original assumptions. This supports informed continued-business-justification decisions and appropriate project-level control. See the PeopleCert PRINCE2 7 certification overview and the PRINCE2 guidance on managing stage boundaries.

QUESTION NO: 38

Scenario

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

â— Do nothing.

â— Re-engineer selected business functions.

â— Outsource selected business functions.

The feasibility study concluded that there was a case for outsourcing the MFH Information Technology Division and the Facilities Division (maintenance of buildings and grounds). The recommendations were:

â— One service provider should be contracted to provide the services currently provided by the Information Technology Division and the Facilities Division.

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

The feasibility study developed high-level designs of the current organization, processes, systems and operating models, plus an outline Business Case for the required project. The external consultants also made the following recommendations for the management of the project:

â— Use PRINCE2.

â— Set up the project with 4 management stages:

Stage 1. Standard PRINCE2 initiation activities.

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

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

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

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

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

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

Which 2 statements should be recorded under the Major risks heading?

A. Due to market conditions a suitable service provider may not be found, possibly leading to premature closure of the project.

B. Owing to employment contract changes staff may resist outsourcing, which would make it difficult to transfer staff to the selected service provider.

C. MFH's operations may be reduced and the 1a-year contract may not achieve its estimated value of Â£80m, which would reduce the service provider's profit.

D. The initial estimates, taken from the feasibility study report, indicate that the project will take two years to complete, which means that the business problems would remain for this period.

E. The management stages recommended by the consultants may not be appropriate, resulting in confusion in planning.

ANSWER: A

Explanation:

Due to market conditions a suitable service provider may not be found, possibly leading to premature closure of the project is a major risk because it describes an uncertain external condition, a credible risk event, and a material effect on project viability. The outsourcing project depends on obtaining an acceptable provider that can deliver both information-technology and facilities services under a long-term contract. If the procurement market cannot supply a provider meeting MFH's needs, the project may be unable to proceed to contracting and could have to be stopped before its intended benefits can be realized.

PRINCE2 records major risks early so that the Project Board can understand threats to the Business Case and decide whether the project remains worthwhile. This risk is sufficiently significant for inclusion in the Project Brief and subsequent Project Initiation Documentation: it could prevent delivery of the project's products, invalidate assumptions behind the expected savings, and require a management response such as market engagement, alternative sourcing strategies, or revised procurement requirements. PRINCE2 treats risk as an uncertain event or set of events which, if it occurs, affects achievement of objectives. See the [PeopleCert PRINCE2 7 certification overview] and [PRINCE2 risk-management guidance].

QUESTION NO: 39

The 'classroom-based training materials' will be used as the basis for developing the 'e-learning course'. As a result, the executive wants to ensure that the 'classroom-based training materials' are of the required standard. The executive has asked to meet the project manager every day during stage 2 to discuss progress and identify any concerns regarding quality.

Is this an appropriate approach to applying the organization theme, and why?

A. Yes, because the executive should be available to provide ad hoc direction to the project manager.

B. Yes, because the executive should be the key decision-maker on the project, supported by other project board members.

C. No, because the senior user should be responsible for specifying the quality criteria for the training materials.

D. No, because the project manager should be given authority to manage the project on a day-to-day basis.

ANSWER: D

Explanation:

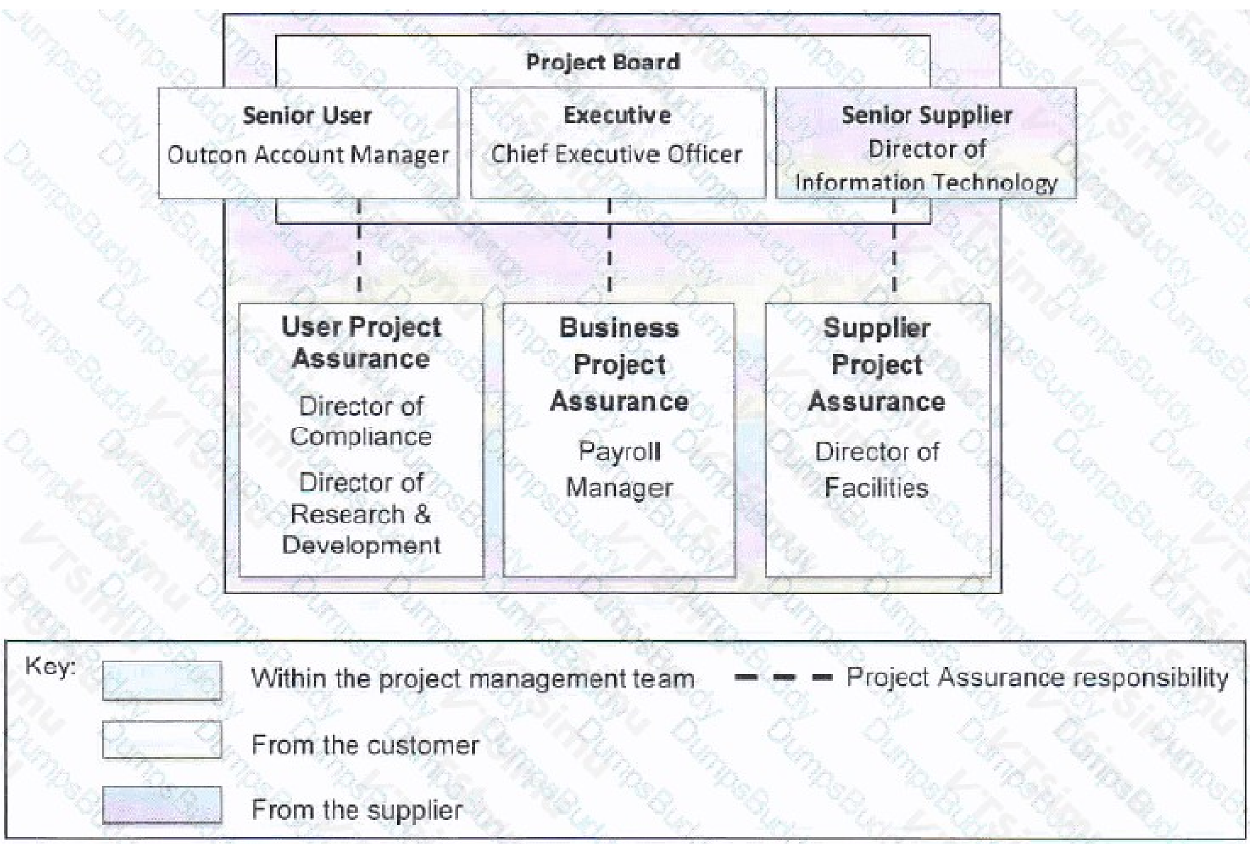
No, because the project manager should be given authority to manage the project on a day-to-day basis. PRINCE2 assigns clear and distinct accountabilities within the project management team. The executive is accountable for the project's overall success, including ensuring that it remains justified and that the required resources and governance are available. However, the project manager is delegated the authority to manage the project within the tolerances and controls set by the project board.

Daily meetings initiated by the executive to review progress and quality concerns would draw the executive into operational management. This bypasses the agreed management level and weakens the project manager's responsibility for directing day-to-day work, monitoring progress, managing quality activities, and escalating only matters that exceed tolerance or require project-board direction. The appropriate control mechanism is management by exception: the project board sets tolerances and receives planned reports, while the project manager manages routine delivery. If quality issues threaten agreed tolerances, requirements, or the business case, the project manager should raise an exception or seek a decision through the defined controls. This preserves effective governance while allowing timely assurance and escalation. See [PeopleCert's PRINCE2 overview] and [AXELOS PRINCE2 guidance].

QUESTION NO: 40

Scenario

Additional Information



Further information on some resources who could be involved in the project:

Outcome Account Manager: He represents Outcome which is a recruitment agency that provides specialist outsourcing resources. Outcome provided the consultants who carried out the feasibility study and the same consultants will be providing support and guidance to the Information Technology and Facilities teams during the project.

Director of Finance Division: She was transferred from the Information Technology Division 12 months ago. She is responsible for ensuring a cost-conscious approach is adopted in all operational and project activities across the Ministry of Food Hygiene.

Hardware Manager: Reports to the Director of Information Technology. He provides computer hardware to all business functions but has little awareness of the needs of his colleagues working in software.

Payroll Manager: Reports to the Director of Finance. He is a very experienced and efficient qualified accountant who has much of the responsibility of running the Finance Division on behalf of the Director of Finance. He has been involved in drafting the Ministry's business strategy and assisting in a full business risk assessment. He also drafted the corporate Business Case standards.

Which 2 alternative actions apply to the proposed Senior User for this project?

A. Retain because he provides the outsourcing resources required to support the project.

B. Replace with 'Director of Research and Development' because she deals with both the Information Technology and the Facilities Divisions and can make sure her division's needs are specified.

C. Remove because he has no authority to commit user resources.

D. Add 'Hardware Manager' because he provides computer hardware to all business functions and will be impacted by the outcome.

E. Retain because he will be providing support to the Information Technology and Facilities teams during the project.

ANSWER: B C

Explanation:

The proposed Senior User should be removed because the role must represent the interests of those who will use the project’s products and must have sufficient authority to commit the user resources needed for specification, acceptance, implementation, and realization of benefits. An account manager from a recruitment agency represents a supplier organization providing specialist support; providing consultants does not give that person authority over the Ministry’s operational users or their resources. This action therefore protects the distinction between user interests and supplier interests within the project management team.

Replacing the proposed role holder with the Director of Research and Development is appropriate because she spans the Information Technology and Facilities Divisions whose requirements must be represented. A Senior User is accountable for ensuring that user needs are correctly specified, that the solution is fit for purpose, and that expected benefits are achieved. A senior divisional representative able to coordinate and express the needs of both affected areas is consequently positioned to fulfil these responsibilities and secure the necessary user involvement. PRINCE2 describes the project board’s representation of business, user, and supplier interests in PeopleCert’s PRINCE2 overview; further role guidance is available from AXELOS PRINCE2 resources.

QUESTION NO: 41

During the initiation stage, the project manager aligns the project's risk management approach to ABC Company's risk management policy. As a result, the project will use two risk registers, one for ABC Company's risks and one for external supplier risks.

Is this an appropriate application of the 'tailor to suit the project' principle, and why?

A. Yes, because the risk management approach should comply with the supplier's needs.

B. Yes, because project controls should take the project's environment into account.

C. No, because all three stakeholder interests need to be represented effectively on the project.

D. No, because a single risk register should be used to record risks to the project.

ANSWER: D

Explanation:

No, because a single risk register should be used to record risks to the project. PRINCE2 tailoring means applying the method in a way that is appropriate to the project's scale, complexity, risk level, organizational context, and delivery approach, while preserving the purpose of its management products and controls. The risk management approach can be aligned with ABC Company's policy and may define different risk categories, ownership arrangements, reporting routes, security permissions, or supplier escalation procedures. However, risks arising from a supplier remain project risks where they could affect the project's objectives, such as time, cost, quality, scope, benefits, or sustainability.

The risk register is the project's central record of identified threats and opportunities, including their assessments, responses, owners, actions, and status. Maintaining one authoritative project risk register enables the project manager, project board, and relevant stakeholders to obtain a complete view of the project's overall risk exposure and to make coordinated decisions. A supplier may maintain its own internal risk log for risks within its operations, but relevant risks and their interfaces with the project must be captured in the project risk register. This maintains clear governance, accountability, and control while still allowing the approach to be tailored. See PRINCE2 risk theme guidance and PeopleCert PRINCE2 information.

QUESTION NO: 42

Which of the following activities is NOT an action of preparing for planned closure?

A. Update the project plan with actual

B. Update the Project Management Team

C. Request a product status account

D. Confirm project has delivered what is defined in Project Product Description

ANSWER: B

Explanation:

Update the Project Management Team is not an action defined for preparing planned closure in the PRINCE2 Closing a Project process. Preparing planned closure is concerned with establishing the project's final status and assembling the information needed for the Project Board to decide whether the project can be formally closed. This includes confirming that the project has delivered the products described in the Project Product Description, obtaining product-status information, and updating relevant project-management records with final actuals. The process also supports preparation of the End Project Report, Lessons Report and Follow-on Action Recommendations, as appropriate, so that closure decisions, accountability and any remaining actions are properly documented. Although the project-management team may need to be informed of, or participate in, closure work, "updating the Project Management Team" does not describe a prescribed closure-preparation activity or management product update in PRINCE2. It is therefore the activity that is not an action of preparing for planned closure. The PRINCE2 method and its process-based approach are maintained by PeopleCert; see the PeopleCert PRINCE2 certification overview and the PRINCE2 methodology overview.

QUESTION NO: 43

The external team manager for the 'e-learning course' has reviewed the quality register to ensure all quality activities have been completed. The 'e-learning course' has been approved and accreditation has been achieved. As a result, the team manager updated the work package to notify the project manager that it is complete, and updated the team plan. Is this appropriate, and why?

A. Yes, because the project manager needs to receive confirmation that work has been completed and approved.

B. Yes, because a team plan to gain accreditation of the 'e-learning course' is required to be part of the work package.

C. No, because it is the configuration item record of the relevant product description that is updated, not the work package.

D. No, because the work package should be checked to confirm the reporting arrangements of the 'e-learning course'.

ANSWER: A

Explanation:

Yes, because the project manager needs to receive confirmation that work has been completed and approved. Under PRINCE2's Managing Product Delivery process, the team manager is responsible for producing the specialist product within the agreed work package, ensuring that its quality requirements have been met, and reporting completion back to the project manager. Reviewing the quality register is an appropriate way to confirm that the planned quality-control activities have taken place and their outcomes have been recorded. Approval of the e-learning course and achievement of accreditation provide the required evidence that the completed product satisfies the relevant acceptance and quality criteria.

Updating the work package to show completion is appropriate because it communicates the delivery status and provides the project manager with the information needed to review the completed work package, confirm that agreed products have been delivered, and decide any follow-up action. Updating the team plan is also appropriate as it keeps the team's detailed schedule and progress information current. This supports the project manager's continued control of delivery while maintaining clear accountability between the project manager and the external team manager. PRINCE2 describes this delegation-and-reporting relationship as a core purpose of Managing Product Delivery. See PeopleCert PRINCE2 and AXELOS PRINCE2 guidance.

QUESTION NO: 44

Scenario

Extract from the Project Product Description (with errors)

Composition	1. Monthly calendar displays 2. 100gsm glossy paper 3. Full colour 4. Selected envelope 5. Chosen label design 6. List of customers 7. Selected photos 8. Photo session schedule
Derivation	9. New company logo design 10. Previous calendar designs 11. Internal creative team 12. Production cost forecast
Development skills required	13. Photographer 14. Internal creative team 15. Printer
Customer's quality expectations	16. Professional photos 17. 10% more calendars should be printed than required to allow for any late additions to the list of customers 18. Compliance with applicable corporate standards 19. The calendar should reflect the company image as described in the corporate branding standards 20. The calendar will increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months
Acceptance criteria	21. Appearance - each photo should be sufficiently attractive and humorous that the customer wants to display it 22. Appearance - new company logo promotes strong image 23. Security - complies with Data Protection Act 24. Accuracy - public holidays match the list supplied by Marketing on 01 November

Which 2 statements apply to the Derivation section?

A. Move entry 9 to Composition because this is within the scope of the project.

B. Delete entry 10 because this is NOT a source product for this project.

C. Delete entry 11 as this is already correctly shown under Development Skills required.

D. Move entry 12 to Composition, because this is within the scope of this project.

E. Add 'Professional photographer'.

ANSWER: C D

Explanation:

The Derivation section of a Project Product Description identifies the source products from which the project's final product will be derived, such as pre-existing materials, information, assets, or products that provide an input to its creation. It is not intended to repeat information that belongs in another part of the product description, nor to list products that the project itself must create.

"Delete entry 11 as this is already correctly shown under Development Skills required" is correct because development skills describe the specialist capabilities needed to develop the project product. Repeating this information in Derivation does not identify an input or source product and creates duplication within the Project Product Description.

"Move entry 12 to Composition, because this is within the scope of this project" is also correct. Composition defines the component products that together make up the project product and which the project is responsible for delivering. A product to be created within the project is therefore part of the project product's composition, rather than a pre-existing source product from which it is derived. This keeps the product description clear about both the project boundary and the origin of its inputs. See PeopleCert's PRINCE2 7 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 45

Which 2 statements explain why the Marketing Director should be appointed as the Executive for this project?

A. She has been with the company for three years.

B. She previously had a successful career in publicity.

C. She is able to represent the business needs of MNO Manufacturing.

D. She has authority to commit the marketing budget, from which the project will be funded.

E. She requires more experience working with the engineering industry.

ANSWER: C D

Explanation:

The Marketing Director is an appropriate Executive because she is able to represent the business needs of MNO Manufacturing and has authority to commit the marketing budget from which the project will be funded. In PRINCE2, the Executive is the single point of accountability for the project's continued business justification and is responsible for ensuring that the project delivers value for money. The role represents the business interests on the project board, owns the business case, and makes the key decisions required to authorize the project and its stages.

Accordingly, the Executive must be a senior person who can articulate the organization's business requirements and has sufficient authority to secure and commit the resources needed to deliver the project. Representing MNO Manufacturing's business needs ensures that decisions remain aligned with the intended business outcomes and benefits. Control over the funding budget demonstrates the organizational authority needed to make financial commitments and retain accountability for investment decisions. These attributes directly support the Executive's responsibility for the project's business case, benefits, and funding. PRINCE2 describes project-board role responsibilities in its official guidance: PeopleCert PRINCE2 and PRINCE2 best-practice guidance.

QUESTION NO: 46

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

A. They cannot be assigned

B. They don't need to follow corporate objectives

C. They should be measurable

D. Tolerances cannot be set against expected benefits

ANSWER: C

Explanation:

They should be measurable. In PRINCE2, a benefit is a measurable improvement resulting from an outcome that is perceived as an advantage by one or more stakeholders. Defining expected benefits in measurable terms is essential because it allows the organization to establish a baseline, specify a target, monitor progress, and confirm whether the project has enabled the intended improvement. Measures may be quantitative, such as reduced operating costs or faster processing times, or qualitative where a credible assessment approach and success criteria are defined, such as improved customer satisfaction. The business case identifies the expected benefits and their timescales, while the benefits management approach describes how and when they will be measured, reviewed, and reported. Benefits must also support the organization's objectives, and ownership for realizing them is assigned, typically beyond the project's closure. PRINCE2 can define tolerances relating to benefits, enabling escalation where forecasts indicate that benefit targets may not be achieved. Measurable expected benefits therefore provide the evidence needed to maintain continued business justification and assess whether the project remains worthwhile. See the official PRINCE2 overview from PeopleCert and AXELOS guidance on business cases.

QUESTION NO: 47

Which of the following statements are True:

1. Quality management is the complete set of quality standards, procedures and responsibilities for a site or organization.

2. Quality planning is about defining products required of the project with their respective quality criteria, methods and responsibilities.3. Quality control focuses on the operational techniques and activities used to carry out quality inspections

4. Quality assurance ensures that quality methods are being correctly followed.

A. 1, 2 & 3

B. 1, 3 & 4

C. 1, 2 & 4

D. 2, 3 & 4

ANSWER: D

Explanation:

The correct combination is **"2, 3 & 4"**. In PRINCE2, quality planning establishes the project's products and defines the quality specifications against which they will be assessed. This includes the applicable quality criteria, the quality methods to be used, and the responsibilities for undertaking and approving quality-related work. Planning quality in this way makes expectations measurable and ensures that product acceptance is based on agreed criteria rather than subjective judgement.

Quality control is the practical application of techniques and activities that check whether products meet their specified quality requirements. Product inspections, testing, reviews, and other quality-checking activities provide the evidence needed to confirm that a product is fit for purpose or to identify necessary corrective action.

Quality assurance provides confidence that the project's quality-management arrangements and methods are appropriate and are being followed. It is concerned with the process and the adequacy of the quality approach, rather than simply the result of an individual inspection. These distinctions support PRINCE2's product-focused planning and control approach. See the official PRINCE2 7 certification overview and the AXELOS definition of quality assurance.

QUESTION NO: 48

Using the Project Scenario and the Extract from Stage Plan for stage 3 provided as additional intonation for this question in the Scenario Booklet, answer the following 5 questions.

The Stage Plan for stage 3 has been produced.

The Engineering Manager insists that there are to be no interruptions to operations whilst photographs are being taken of the engineering staff performing their everyday duties and operating machinery.

Two weeks ago the professional photographer produced the photo session schedule based on the operational staff schedule. The operational staff schedule is produced weekly and maintained by the Engineering Manager.

None of the £500 change budget has been used to date and this is available for the stage.

Which 2 statements apply to the Plan prerequisites section?

A. Delete entry 2 because these are project benefits not prerequisites of the stage.

B. Delete entry 3 because the production cost forecast is a deliverable of stage 2, not a prerequisite for stage 3.

C. Delete entry 4 because the customer list is a deliverable of stage 2, not a prerequisite for stage 3.

D. Add 'Engineering team must be made available for photos'.

E. Add 'Compliance with the Data Protection Act'.

ANSWER: A C

Explanation:

PRINCE2 defines plan prerequisites as the essential conditions that must be established, and continue to be available, for the plan to be achievable. They describe necessary enabling circumstances for the work, rather than anticipated advantageous outcomes or items that are merely historical outputs of an earlier stage. This distinction ensures that the Stage Plan identifies genuine dependencies and conditions that the Project Manager needs to consider when assessing whether the stage can proceed successfully.

"Delete entry 2 because these are project benefits not prerequisites of the stage" is correct because benefits belong in the Business Case and benefits-management thinking. They express the measurable improvement expected from using the project's outputs, rather than a condition needed to undertake the stage's planned activities.

"Delete entry 4 because the customer list is a deliverable of stage 2, not a prerequisite for stage 3" is also correct. A completed stage deliverable should be recorded and managed as a product or completed output; it should not be listed as a continuing fundamental precondition for this Stage Plan. Keeping the prerequisites section focused on necessary conditions supports clear, realistic planning and control. See the PeopleCert PRINCE2 certification overview and the PRINCE2 plans guidance.

QUESTION NO: 49

Which 2 statements apply to the Acceptance criteria section?

A. Amend entry 21 to 'Appearance - 12 photos each showing different members of staff.

B. Move entry 21 to Composition because the photos are part of the final product.

C. Delete entry 22 because the development of the new company logo is not within the scope of the Calendar project.

D. Move entry 23 to Derivation because the Data Protection Act already exists.

E. Delete entry 24 because this is NOT a suitable acceptance criteria for this project.

ANSWER: A C

Explanation:

Acceptance criteria define the measurable conditions that a product must satisfy before it can be accepted. They are recorded in the product description and should be specific enough to enable an objective quality check. Amending entry 21 to "Appearance - 12 photos each showing different members of staff" is appropriate because it states a clear, observable requirement for the calendar's appearance. It identifies both the required quantity of photographs and the required distinction between the people shown, allowing the finished calendar to be assessed consistently against an agreed standard.

Deleting entry 22 because development of the new company logo is outside the Calendar project's scope is also appropriate. Acceptance criteria must concern the characteristics and conditions for accepting the project product, rather than introduce work or deliverables that are not authorized by the project's defined scope. Keeping scope-aligned criteria ensures that acceptance remains focused on whether the calendar product meets the user's agreed needs and avoids expanding the project through undocumented requirements. This supports PRINCE2's product-based planning approach, in which product descriptions specify quality criteria and quality methods for each required product. See the official PRINCE2 Practitioner certification information and the AXELOS acceptance-criteria glossary.

QUESTION NO: 50

Which 2 statements should be recorded under the Investment appraisal heading?

A. The preferred option has a positive net present value of £480k over five years.

B. The project will be funded from the digital transformation budget.

C. The expected reduction in processing time is 30%.

D. The estimated payback period is 28 months after implementation.

E. A failure to achieve user adoption could reduce the expected savings.

ANSWER: A D

Explanation:

Investment appraisal compares the forecast value of an investment with its costs over an appropriate period. A net present value calculation and a payback period are both appraisal measures that enable decision-makers to assess whether the expected financial return justifies the investment.

The total project cost is an input to the appraisal, but belongs under costs. A benefit measure, a risk and a funding source are also important Business Case information, but they do not constitute investment-appraisal results. See PeopleCert PRINCE2 information.

QUESTION NO: 51

While producing the Team Plan to deliver the agreed Work Package, it became apparent that the user representatives assigned 10 check some of the products were unsuitable.

Which 2 actions should the Team Manager take in response to this situation?

A. Consult the Senior User to assign suitable reviewers.

B. Discuss the situation with Project Assurance and agree the changes or additions to the reviewers. Advise the Project Manager of this risk.

C. Ensure the Quality Register is updated with details of the agreed amendments to the reviewers.

D. Notify the Project Manager by raising an Exception Report explaining that the original reviewers are unsuitable.

ANSWER: A C

Explanation:

The Team Manager should **consult the Senior User to assign suitable reviewers**. User representatives undertake product checks from the user perspective, so the Senior User is the appropriate executive role to ensure that suitable user-side resources and representatives are available. Engaging the Senior User enables the review responsibility to be reassigned to people who can assess whether the products meet user needs and the agreed quality expectations. This maintains clear accountability for user interests while the Team Manager continues to plan and coordinate delivery of the Work Package.

The Team Manager should also **ensure the Quality Register is updated with details of the agreed amendments to the reviewers**. The Quality Register records planned and completed quality-management activities, including the relevant product, method, responsibilities, timing, and outcomes. Recording the revised reviewers ensures that the planned quality activity remains visible, controlled, and auditable, and that the Team Plan and quality arrangements remain aligned. This supports PRINCE2's product focus by ensuring that product verification is performed by appropriately qualified user representatives. PRINCE2 identifies clear roles, responsibilities, and management products as core elements of effective project control; see PeopleCert's PRINCE2 Practitioner overview and PRINCE2's overview of the method.

QUESTION NO: 52

Scenario

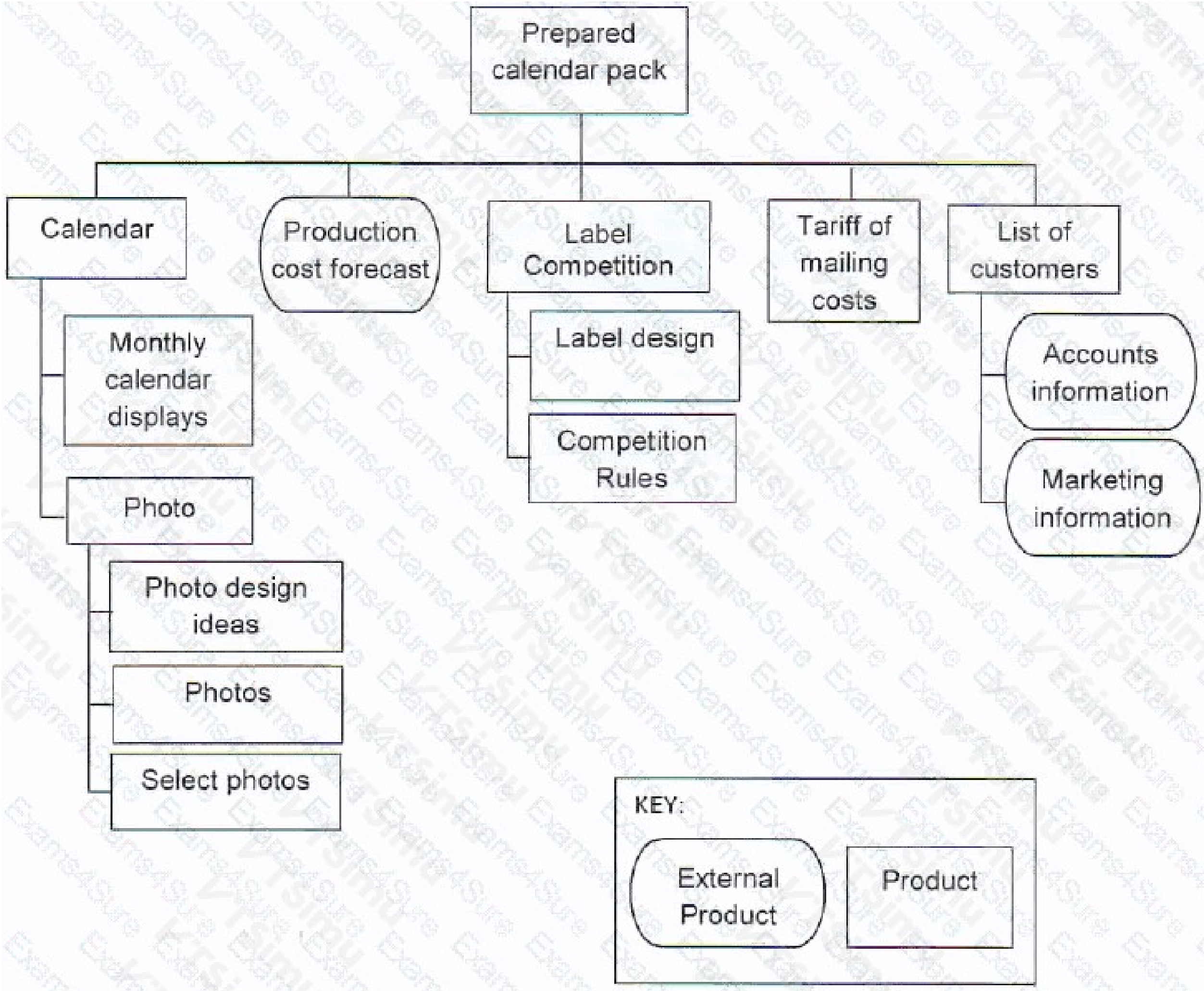
Product Summary

A list of customers will be collated. This will use existing information from the Accounts department about current customers, and existing information from the Marketing department about prospective customers.

Using the tariff of mailing costs available from the Post Office, a production cost forecast will be produced to allow the CEO and the Marketing Director to decide whether to continue with the project. If they decide to continue, they will give the approval to launch the internal label design competition. Competition rules will be required to communicate details of the competition to the staff. The chosen label design will then be selected from the competition entries.

The photos for the calendar must be based on existing photo design ideas available from the Marketing department. The selected photos will be chosen from these. Monthly calendar displays will be created to show the required layout of each page.

Product Breakdown Structure (contains errors)



Extract from Stage Plan for stage 3.

(All entries are true statements but may not be shown under the correct heading or in the correct document).

Plan description	1. Stage 3 is the final stage of the project and will deliver the photos, the label design competition entries, the winning label design and the prepared calendar pack.
Plan prerequisites	2. Increase in orders and improved company image. 3. The production cost forecast must be acceptable to the Project Board if the photography and label design competition are to go ahead. 4. The customer list is accurate and complete.
External dependencies	5. A separate project has been reviewing the company's branding. The company logo, required for the label design competition, is being updated. The new company logo is to be supplied by the other project in two weeks time. 6. Customer details will be supplied from the Accounts department and the Marketing department customer databases for the customer list. 7. The label design must contain the new company logo.
Planning assumptions	8. A suitable entry will be received from the label design competition. 9. The photo session schedule created two weeks ago correctly reflects the availability of the engineering staff. 10. Each photo must feature different members of the Engineering team.
Monitoring and control	11. The Project Plan is to be updated with actual throughout the stage. 12. A Highlight Report will be created for the Project Board every two weeks. 13. The Stage Plan will be reviewed at the end of each day, to assess forecast against actual. 14. Product Status Accounts will be produced by Project Support, at the request of the Project Manager, to summarize current and historical data concerning each of the project's products.
Budgets	15. Cost £5k for specialist products 16. Time 4 weeks 17. Risk £0

Using the Project Scenario and the Extract from Stage Plan for stage 3 provided as additional intonation for this question in the Scenario Booklet, answer the following 5 questions.

The Stage Plan for stage 3 has been produced.

The Engineering Manager insists that there are to be no interruptions to operations whilst photographs are being taken of the engineering staff performing their everyday duties and operating machinery. Two weeks ago the professional photographer produced the photo session schedule based on the operational staff schedule. The operational staff schedule is produced weekly and maintained by the Engineering Manager.

None of the £500 change budget has been used to date and this is available for the stage.

Which 2 statements apply to the Planning assumptions section?

A. No change to entry 8 because this cannot be confirmed until all of the label designs entries have been received and an assessment made.

B. Move entry 8 to External dependencies because the label designs are created outside of the scope of the project.

C. Delete entry 9 because the photo session schedule should have been approved as part of stage 2.

D. Move entry 9 to External dependencies because the photo session schedule is created by the professional photographer.

E. Delete entry 10 because the inclusion of different members from the Engineering team in each photo should be shown in the Product Description for the photos.

ANSWER: A E

Explanation:

“No change to entry 8 because this cannot be confirmed until all of the label designs entries have been received and an assessment made” applies because a planning assumption is a factor accepted as true for planning purposes, although it has not yet been proven. At the time the Stage Plan is produced, the eventual suitability or availability of a label design cannot be known: it depends on future competition submissions and their subsequent assessment. It is therefore appropriate to retain this item as an assumption and manage the uncertainty through the plan and its controls.

“Delete entry 10 because the inclusion of different members from the Engineering team in each photo should be shown in the Product Description for the photos” also applies. The required content and quality characteristics of a product belong in its Product Description. Specifying that photographs must include different Engineering team members defines what the photo product must contain; it is not an uncertain condition used as a basis for estimating or scheduling work. Recording it in the Product Description supports clear acceptance expectations and enables the product to be reviewed against its defined quality criteria. PRINCE2 planning distinguishes product requirements from assumptions so that plans are based on clear, agreed product definitions. See the PRINCE2 7 certification overview and the PRINCE2 glossary.

QUESTION NO: 53

Project Scenario – Health and Safety Training Project:

ABC Company is a well-established training company that uses a standard model to develop training materials and deliver courses to customers.

ABC Company has commissioned a project in response to recent changes in government legislation relating to health and safety on construction sites. The project will deliver “capability to provide health and safety training”, including the materials needed for classroom-based training and e-learning. The expected benefits for construction companies include a reduction in lost days and legal costs due to accidents.

The e-learning course will be developed by a specialist external consultancy. The materials for classroom-based training will be delivered by ABC Company’s development team. All course materials will be piloted before they are used. ABC Company will deliver training to its customers and also hopes to sell the course materials to other training companies as part of their operational business. ABC Company will use their own sales and marketing departments to promote the courses.

The legislation requires construction companies to comply with the new legislation within two years. The course materials and trainers have to be accredited by a government agency before courses can be delivered. ABC Company is planning to deliver pilot courses within five months of starting the project.

The ABC Company standard development model for new courses recommends the following stages:

Stage 1	Initiation stage
Stage 2	Classroom-based training materials Marketing materials Training venue specifications Accredited classroom-based course
Stage 3	E-learning course Amended course booking procedures Marketed courses Planned pilot courses Updated corporate quality procedures Accredited e-learning course Accredited trainers
Stage 4	Delivered pilot courses Finalized materials Project product: Capability to provide health and safety training

End of the Project scenario.

Additional Information:

The Chief Executive Officer (CEO) founded the company five years ago. Under her leadership, ABC Company has grown quickly into a successful training company. It delivers a range of accredited professional training.

The Finance Director is also a founder member of ABC Company and is responsible for authorizing budgets for the Operations and Development Teams. She authorizes all large contracts personally.

The Purchasing Manager reports to the Finance Director and is responsible for managing and monitoring supplier contracts.

The Operations Director is responsible for the delivery off all training and for the training development budget. His department organizes courses, venues and trainers. They work with the Product and the Sales teams to provide a comprehensive training schedule. ABC Company's IT manager reports to the Operations Director.

The Business Development Director has recently been appointed to identify new training needs and propose new products. She will work with the Operations. Director to ensure a cost- conscious approach and that appropriate development technologies are used for the health and safety course.

The Training Development Manager reports to the Business Development Director and is responsible for developing training materials and gaining accreditation, in accordance with the standard course development model. Course developers in his team have skills in a range of development technologies and are allocated to projects as needed.

The Training Delivery Manager, who reports to the Operations Director, is responsible for ensuring that internal and external trainers deliver ABC Company training courses to the required standard. He also checks course materials to ensure they are fit for purpose and of the required quality.

The Central Services Director has responsibility for corporate communications, facilities management and configuration management. He recently led a project to consolidate all company quality systems into one quality management system and set up a corporate quality department, now managed by the Corporate Quality Manager.

The Corporate Document Manager reports to the Central Services Director. She helped establish the company's document management system and now operates it across the business. She manages a team of administrators and contracts staff when workload is high.

The Sales Director joined ABC Company two months ago and is keen to establish himself by suggesting new markets for the courses and material. All account managers and the marketing team report to him. They promote existing training courses to other training companies and existing customers.

End of the additional information.

Checkpoint reports are being produced monthly. A week after the last checkpoint report was prepared, the team responsible for developing the ' classroom-based training materials ' have realized that they will not be able to deliver the materials to the accreditor by the work package completion deadline.

Which action demonstrates application of the ' manage by exception ' principle?

A. The team manager reports the issue in the next checkpoint report.

B. The team manager immediately produces an exception plan to replace the current plan.

C. The team manager immediately reports the issue to the project manager.

D. The team manager raises a risk that the deadline may be missed.

ANSWER: C

Explanation:

“The team manager immediately reports the issue to the project manager.” demonstrates manage by exception because the team has identified a forecast inability to meet the agreed work package completion deadline. In PRINCE2, work packages establish the products to be delivered, constraints, reporting arrangements and tolerances delegated by the project manager to the team manager. The team manager may manage delivery within those agreed limits, but must promptly escalate when an exception is forecast or has occurred. A missed completion deadline can affect the accreditation submission, pilot-course timing and the project’s stage plan; it therefore requires the project manager’s attention and decision-making authority.

Monthly checkpoint reporting provides regular progress information, but manage by exception ensures that significant forecast deviations are not held until the next routine report. Immediate escalation enables the project manager to assess the impact, consider corrective action, and determine whether the issue can be resolved within project-level tolerances or needs escalation to the project board. The project manager—not the team manager—decides whether an exception plan is needed and authorizes any replacement plan at the appropriate management level. This preserves clear accountability while allowing the team to act autonomously unless agreed boundaries are threatened. See the PRINCE2 principle overview from PeopleCert and the PRINCE2 guidance on manage by exception.

QUESTION NO: 54

Who sets the tolerances for a work package?

A. The project board

B. The project manager

C. The team manager

D. Corporate or programme management

ANSWER: B

Explanation:

The project manager sets the tolerances for a work package. In PRINCE2, a work package is the mechanism through which the project manager delegates delivery of specified products to a team manager or team. When authorizing the work package, the project manager defines its constraints and controls, including tolerances for the delegated work. These tolerances establish the limits within which the team manager may manage delivery without needing to refer back to the project manager.

This delegation supports management by exception at the delivery level. The team manager monitors progress against the agreed work package and reports progress to the project manager. If a forecast indicates that a work package tolerance will be exceeded, the team manager raises an issue so that the project manager can decide how to respond. The project manager’s authority to set these tolerances is derived from the higher-level tolerances and constraints established for the project and its stages. This structure ensures that authority, accountability, and escalation are clear throughout the project. PRINCE2 describes these role responsibilities and its management-by-exception principle within its method framework; see PeopleCert’s PRINCE2 7 overview and PRINCE2 methodology overview.

QUESTION NO: 55

Scenario

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

? Do nothing.

? Re-engineer selected business functions.

? Outsource selected business functions.

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

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

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

Information Technology Division and the Facilities Division.

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

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

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

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

? Use PRINCE2.

? Set up the project with 4 management stages:

Stage 1. Standard PRINCE2 initiation activities.

Stage 2. Create detailed designs (future organization, processes, systems and operating

models) and the service level agreement between MFH and the future service

provider.

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

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

trial period.

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

MFH senior management agreed that there was a case for outsourcing, and accepted the

recommendations as a basis for the project. There is an expected saving of £20m over 10 years.

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

Which 2 statements should be recorded under the Reasons heading?

A. The lack of up-to-date technology in MFH means a re-engineering of existing services will not necessarily deliver the performance improvements required.

B. Providing re-engineered services in-house will remove the need to transfer staff to a service provider.

C. The Ministry of Food Hygiene (MFH) needs to deal with the increasing pressure to cut costs and better manage supplier's performance.

D. Relocating staff to the selected service provider's premises will mean that no property transfer is required.

E. The inadequate controls, outdated standards and outdated technology must be addressed.

ANSWER: C E

Explanation:

In a PRINCE2 Business Case, the Reasons heading records the business problem, opportunity, or organizational driver that makes change necessary. It establishes the underlying rationale for investing in the project before the selected solution, expected benefits, costs, timescales, or detailed delivery approach are considered. “The Ministry of Food Hygiene (MFH) needs to deal with the increasing pressure to cut costs and better manage supplier's performance.” is a direct statement of the strategic and operational pressures requiring action. It therefore describes why MFH needs a project.

“The inadequate controls, outdated standards and outdated technology must be addressed.” is also a direct expression of the current problems that the project is intended to resolve. These deficiencies create the need for change and belong in the Business Case rationale regardless of whether outsourcing, re-engineering, or another option is ultimately selected. Together, these statements capture both the external performance and cost pressures and the internal capability and control problems that justify the initiative. PRINCE2 requires the Business Case to document why the project is needed and to remain valid throughout the project lifecycle. See PeopleCert PRINCE2 guidance and AXELOS PRINCE2 resources.