PRINCE2 Foundation (by Exin)

Exin EX0-002

Version Demo

Total Demo Questions: 16

Total Premium Questions: 164

Buy Premium PDF

Topic Break Down

Topic	No. of Questions
Topic 1, Understand key concepts relating to projects and PRINCE2	14
Topic 2, Understand how the PRINCE2 principles underpin the PRINCE2 method	6
Topic 3, Understand the PRINCE2 themes and how they are applied throughout the project	92
Topic 4, Understand the PRINCE2 processes and how they are carried out throughout the project	52
Total	164

QUESTION NO: 1

Which is a responsibility of Project Support?

A. Authorize the next management stage

B. Maintain project management products

C. Approve the Business Case

D. Produce specialist products

ANSWER: B

Explanation:

Maintain project management products is correct because Project Support provides administrative, technical and specialist assistance to the Project Manager. This can include maintaining registers, logs, configuration records, plans and reports, as well as providing tools, standards and guidance for the project.

Project Support does not take accountability for directing the project, authorizing stages, or managing the production of specialist products. Those responsibilities belong respectively to the Project Board, Project Manager and Team Manager. The level of Project Support is tailored to the project's needs and may range from a full project office to limited administrative assistance. See the PRINCE2 guidance from AXELOS.

QUESTION NO: 2

What is defined as a temporary organization that is created for the purpose of delivering one or more business products?

A. Corporate or programme management

B. A project

C. A product breakdown structure

D. A user group

ANSWER: B

Explanation:

A project is correct because PRINCE2 defines a project as a temporary organization established to deliver one or more business products in accordance with an agreed Business Case. "Temporary" means that the organization has a defined lifecycle: it is created to undertake the work and is disbanded when the project has delivered its required products, or when continuation is no longer justified. The definition emphasizes that a project is more than a collection of tasks. It brings together people, roles, controls, plans, and management arrangements specifically for a defined change initiative. The business products delivered may be tangible outputs, such as a new system or facility, or other defined results that enable the organization to realize its intended outcomes and benefits. PRINCE2 uses this definition to distinguish project work from ongoing business operations, which are continuing organizational activities rather than temporary structures created for a particular delivery objective. This wording is consistent with the PRINCE2 glossary and the official PRINCE2 overview provided by PeopleCert. See the PeopleCert PRINCE2 Foundation certification page and the PRINCE2 best-practice overview.

QUESTION NO: 3

Which does a Project Manager produce to define and control the work to be done?

A. Configuration Item Record

B. Stage scope tolerance

C. Team Plan

D. Work Package

ANSWER: D

Explanation:

Work Package is correct because it is the PRINCE2 management product used by the Project Manager to authorize, define, assign, and control a discrete amount of work that a team is to complete. It provides the Team Manager with the information needed to create one or more specialist products, including the product descriptions, quality expectations and methods, constraints, tolerances, reporting requirements, and any applicable interfaces or dependencies. The Project Manager agrees the Work Package with the Team Manager before work begins, ensuring that both parties share a clear understanding of what is required and the limits within which the work may be managed. During delivery, the Work Package supports control because progress, forecasts, issues, and completion are reported against its agreed requirements. Once the relevant specialist products have been completed and quality-checked, the Work Package can be formally accepted as complete. This makes it the practical link between the Project Manager's stage-level control and the team's day-to-day product delivery. PRINCE2 describes its method as using defined roles, management products, and controls to manage project delivery effectively; see PeopleCert's PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 4

What process is used by the Project Board to respond to an Exception Report?

A. Controlling a Stage

B. Managing a Stage Boundary

C. Managing Product Delivery

D. Directing a Project

ANSWER: D

Explanation:

Directing a Project is correct because it is the PRINCE2 process through which the Project Board exercises its decision-making authority and provides direction outside the project manager's delegated tolerances. An Exception Report is raised by the project manager when a stage or project is forecast to exceed an agreed tolerance, meaning that the issue must be escalated to the Project Board. Within Directing a Project, the Board reviews the exception, considers its effect on the business justification, risks, benefits, scope, time, cost, and quality, and decides how the project should proceed. Its response may be to approve an Exception Plan, request further action or information, change the project's direction, or, where continued justification no longer exists, authorize premature closure. This reflects management by exception: the Project Board delegates day-to-day control to the project manager but retains authority over decisions that exceed the limits it set. PRINCE2 identifies the Project Board's direction and decision responsibilities as part of the Directing a Project process. See AXELOS: What is PRINCE2? and PeopleCert PRINCE2 Foundation.

QUESTION NO: 5

Which describes the 'Implement' step within the recommended risk management procedure?

A. Project Support will allocate the risk budget to fund the selected risk responses

B. The risk owner will decide the best response to control the risk

C. The risk owner and the risk actionee will carry out activities to control and deal with the risk

D. The Project Manager will formulate the Risk Management Strategy

ANSWER: C

Explanation:

The risk owner and the risk actionee will carry out activities to control and deal with the risk. In PRINCE2's recommended risk management procedure, the Implement step puts the selected risk response into action. The risk owner remains accountable for managing, monitoring, and controlling the assigned risk, while the risk actionee performs specific response actions where this responsibility has been delegated. For example, activities may involve implementing a planned action to reduce a threat's probability or impact, or taking action to exploit, enhance, or share an opportunity. Implementation is not merely deciding on a response: the response must be executed, with progress and effectiveness subsequently monitored as part of ongoing risk management. Clear assignment of a risk owner and, where needed, a risk actionee ensures that risk responses have practical ownership and are integrated into project work rather than remaining only as entries in the Risk Register. This aligns with PRINCE2's emphasis on assigning responsibilities and managing risk throughout the project lifecycle. See PeopleCert's PRINCE2 Foundation overview and AXELOS guidance on PRINCE2 risk management.

QUESTION NO: 6

Which is a purpose of the Business Case theme?

A. Identify which role is responsible for producing the Business Case

B. Identify the project's outputs

C. Establish the controls to manage changes that may impact the project benefits

D. Establish a viable investment proposition

ANSWER: D

Explanation:

Establish a viable investment proposition is correct because the PRINCE2 Business Case theme provides the basis for judging whether a project is desirable, viable and achievable, and therefore whether continued investment is justified. It brings together the reasons for undertaking the project, expected benefits and dis-benefits, costs, timescales, risks, and the available options. This information enables the sponsoring organization and decision-makers to assess whether the forecast value and benefits justify the expenditure, risk exposure and commitment of resources. The Business Case is not merely created at the beginning and then archived: it is reviewed and updated at key decision points so that the project remains aligned with the organization's objectives and continues to represent value for money. PRINCE2's continued business justification principle requires there to be a justifiable reason to start the project and for that justification to remain valid throughout its life. Consequently, establishing and maintaining a viable investment proposition is central to the theme's purpose. See the PRINCE2 Foundation certification overview and AXELOS PRINCE2 7 overview.

QUESTION NO: 7

Identify the missing word in the following sentence, A purpose of the [?] theme is to control any unacceptable deviations from the project's objectives.

A. Change

B. Plans

C. Progress

D. Risk

ANSWER: C

Explanation:

Progress is correct because the PRINCE2 Progress theme establishes how a project's actual performance will be monitored, measured, and compared with its approved plans. Its purpose includes forecasting whether the project can still achieve its objectives and enabling appropriate control when performance is expected to fall outside agreed tolerances. This directly supports the management-by-exception principle: routine decisions remain within delegated authority, while an actual or forecast exception is escalated to the management level that holds the authority to decide what to do next. Progress controls therefore give the project board and project manager timely, reliable information about status, including achievements, forecasts, issues, and any anticipated deviation from time, cost, scope, quality, benefits, risk, or sustainability targets. Where a deviation is unacceptable, the theme provides the basis for raising an exception and deciding corrective action or, where appropriate, revising authorized plans. This wording is taken from the established purpose of PRINCE2's Progress theme, which is concerned with monitoring, reporting, forecasting, and controlling performance throughout the project. See AXELOS PRINCE2 project management and PeopleCert PRINCE2 certification information.

QUESTION NO: 8

When considering risks, which describes an opportunity in a project?

A. An uncertain event that could have a negative impact on objectives

B. An uncertain event that could have a favourable impact on objectives

C. An event that has occurred resulting in a negative impact on objectives

D. An event that has occurred resulting in a favourable impact on objectives

ANSWER: B

Explanation:

An uncertain event that could have a favourable impact on objectives is correct because PRINCE2 defines a risk as an uncertain set of events that, if they occur, will affect achievement of objectives. Risks are not limited to threats: an opportunity is the positive form of risk, where the uncertainty could benefit objectives such as time, cost, quality, scope, benefits, or sustainability. The wording correctly retains both essential characteristics. It is uncertain, meaning it has not yet happened and is not an issue requiring immediate management; and its potential effect is favourable, meaning it may improve achievement of one or more project objectives. PRINCE2 risk management therefore considers opportunities alongside threats so that the project can identify, assess, plan responses to, and potentially exploit or enhance beneficial uncertainty. This supports informed decision-making and helps maximize the project's value rather than focusing only on avoiding adverse outcomes. See the official PeopleCert overview of PRINCE2's management approach at PeopleCert PRINCE2 certifications and AXELOS's guidance on risk management concepts at AXELOS Risk Management.

QUESTION NO: 9

Which theme provides the controls to escalate any forecast beyond tolerance to the next management level?

A. Business Case

B. Plans

C. Progress

D. Quality

ANSWER: C

Explanation:

Progress is correct because the Progress theme establishes the project's control mechanisms for monitoring actual performance against the approved plan, forecasting the likely outcome, and deciding when management action is needed. A core PRINCE2 principle is management by exception: the project board delegates authority within agreed tolerances for areas such as time, cost, scope, risk, quality, and benefits. As long as a stage or project is forecast to remain within those limits, it can be managed at the delegated level. When the project manager forecasts that a tolerance will be exceeded, the

Progress theme requires escalation to the next management level through an exception report. The higher authority can then assess the forecast and decide whether to approve an exception plan, alter tolerances, redirect the work, or stop the project. This approach gives the project board appropriate oversight without requiring it to make routine operational decisions. PRINCE2 describes progress controls as the means of measuring achievement against plans and forecasting continued viability. See the PRINCE2 qualification overview from PeopleCert and the PRINCE2 guidance from AXELOS.

QUESTION NO: 10

Which is a purpose of the Risk theme?

A. Establish a procedure to ensure every change is agreed by the relevant authority before it takes place

B. Establish a cost-effective procedure to identify, assess and control uncertainty

C. Establish mechanisms to control any unacceptable deviations from plan

D. Establish mechanisms to manage risks at the corporate or programme level of an organization

ANSWER: B

Explanation:

“Establish a cost-effective procedure to identify, assess and control uncertainty” is correct because this directly reflects the purpose of the PRINCE2 Risk theme. PRINCE2 treats risk as uncertainty that may have a positive or negative effect on the project’s objectives. The theme provides a disciplined, repeatable approach for recognizing uncertainty early, evaluating its probability and impact, planning proportionate responses, assigning ownership, and monitoring risks throughout the project lifecycle. “Cost-effective” is important: risk-management effort should be appropriate to the project’s scale, complexity, risk appetite, and potential exposure, rather than creating unnecessary administration. Applying this procedure supports informed decision-making by the project board and project manager, helps preserve the business justification, and increases the likelihood that project objectives will be achieved. Risk management is therefore continuous, with risks reviewed and updated as circumstances, assumptions, threats, and opportunities change. This purpose is consistent with PRINCE2 guidance that emphasizes managing uncertainty in a structured way, including both threats and opportunities. See the PRINCE2 risk-management overview and the PeopleCert PRINCE2 certification information.

QUESTION NO: 11

Which is a responsibility of a Team Manager?

A. Producing Highlight Reports for the Project Manager

B. Reviewing the status of the stage

C. Setting Work Package tolerances

D. Ensuring delivery of products in the Managing Product Delivery process

ANSWER: D

Explanation:

Ensuring delivery of products in the Managing Product Delivery process is a Team Manager responsibility in PRINCE2. The Team Manager accepts one or more authorized Work Packages from the Project Manager and is accountable for producing the specified specialist products within the agreed constraints. This includes planning and controlling the team’s work, monitoring progress against the Work Package, managing issues and risks at team level, maintaining product quality through the relevant quality methods, and reporting progress to the Project Manager as agreed. The Managing Product Delivery process exists to create a clear interface between the Project Manager, who delegates work through Work Packages, and the Team Manager, who manages the technical or specialist work needed to deliver those products. At completion, the Team Manager confirms that the Work Package products have been delivered and provides the information required for the Project Manager to assess status and decide on subsequent control actions. This role therefore has direct responsibility for product delivery, rather than merely overseeing the project or setting the constraints under which delegated work is performed. PRINCE2's role descriptions and process model emphasize accountable delegation and controlled delivery of products through Work Packages. See [PeopleCert's PRINCE2 certification information] and [PRINCE2 process guidance].

QUESTION NO: 12

Which of the following is the Business Case used for during the Managing a Stage Boundary process?

A. Enable the Project Board to decide whether or not to authorize the project

B. Justify the continuing viability of the project

C. Enable the Project Board to decide whether or not to authorize project closure

D. Justify the initiation of a project

ANSWER: B

Explanation:

"Justify the continuing viability of the project" is correct because the Business Case is the PRINCE2 management product that records why the project remains worthwhile, desirable, and achievable in relation to its expected benefits, costs, timescales, risks, and investment tolerance. During Managing a Stage Boundary, the Project Manager reviews actual performance and the forecast for the remainder of the project, then updates the Business Case to reflect the latest information. This gives the Project Board a sound basis for considering whether the project still represents value and whether continued investment is justified before committing resources to a further stage. The Business Case is therefore not a document that is created once and left unchanged: it is maintained throughout the project so that business justification remains valid as circumstances, forecasts, and risks evolve. This reflects PRINCE2's continued business justification principle, under which a project should continue only while a valid Business Case exists. See the official PRINCE2 overview from [PeopleCert] and the PRINCE2 best-practice information provided by [AXELOS].

QUESTION NO: 13

Which is created during the Starting up a Project process?

A. Project mandate

B. Project management team role descriptions

C. Communication Management Strategy

D. Quality Register

ANSWER: B

Explanation:

Project management team role descriptions is created during Starting up a Project. This process establishes the basic foundations needed before significant resources are committed to initiating the project. A key activity is defining the project management team: identifying the required PRINCE2 roles, allocating those roles where possible, and documenting the responsibilities, authority, and reporting relationships needed for each role. The resulting role descriptions ensure that the executive, senior user, senior supplier, project manager, and any project assurance or support responsibilities are understood from the outset. This supports PRINCE2's continued business justification and defined roles and responsibilities principles, because the organization must know who can make decisions, represent stakeholder interests, and manage delivery before authorizing project initiation. The descriptions are incorporated into the Project Brief, which is progressively developed during Starting up a Project and later refined as needed. Establishing this management structure early enables the project board to assess whether the project has appropriate governance and resources before approving the Initiation Stage. PRINCE2 is a structured project-management method with explicit governance roles; see the official [PeopleCert PRINCE2 certification overview] and the [AXELOS glossary] for PRINCE2 terminology and method context.

QUESTION NO: 14

Identify the missing word in the following sentence, A project's output is produced during a project but the [?] for the project are often only realized after the project has closed.

A. costs

B. risks

C. benefits

D. issues

ANSWER: C

Explanation:

benefits is the correct missing word. In PRINCE2, an output is a specialist product or deliverable created by the project, whereas a benefit is a measurable improvement that results from an outcome enabled by that output. Deliverables can be produced, accepted, and handed over before the project closes, but the organization commonly needs time to use them operationally before the intended improvements become measurable. For example, a project may deliver a new customer-service system during its lifecycle; benefits such as reduced handling time, higher customer satisfaction, or lower operating costs may only be realized after implementation and sustained use following project closure.

This distinction is central to PRINCE2's continued business justification principle. The business case identifies the expected benefits, their measures, and the timeframe for realization. It also assigns responsibility for benefits management, typically extending beyond the project manager's control and beyond the project's formal end. PRINCE2 therefore recognizes that project success involves not merely delivering outputs, but enabling the forecast benefits that justify investment. See AXELOS' overview of the PRINCE2 methodology at PRINCE2 Foundation and the UK government's guidance on benefits management at Benefits Management Framework.

QUESTION NO: 15

Which describes a risk event?

A. The area of uncertainty in terms of the threat or opportunity

B. The derivation or sources of a potential risk to the project

C. The achievement of a milestone on the Project Plan

D. The sequence of events and actions that will be put in place if a risk occurs

ANSWER: A

Explanation:

The area of uncertainty in terms of the threat or opportunity describes a risk event. In PRINCE2, a risk is commonly expressed through its cause, event, and effect. The risk event is the uncertain occurrence itself—the point at which a threat may happen or an opportunity may arise. It should therefore be written as an uncertainty, rather than as an already-achieved project result or as a planned management action. For example, "a key supplier may be unable to deliver a component on time" identifies the uncertain event that could occur. Its cause might be supplier capacity constraints, while its effect could be delay to a planned stage or increased project cost. Identifying the event separately supports clear risk analysis, ownership, response planning, and recording in the Risk Register. PRINCE2's risk practice treats both threats and opportunities as uncertainties that must be identified, assessed, planned, implemented, and communicated throughout the project. See the official PeopleCert PRINCE2 certification overview and the PRINCE2 best-practice overview from AXELOS.

QUESTION NO: 16

Which describes the 'Identify Risks' step within the recommended risk management procedure?

A. Identify responses to risks documented in the Business Case

B. Gather information about the project environment and objectives

C. Identify the roles to be involved in risk management activities

D. Identify uncertainties that may impact on the delivery of the project objectives

ANSWER: D

Explanation:

“Identify uncertainties that may impact on the delivery of the project objectives” correctly describes the Identify step in PRINCE2’s recommended risk management procedure. A risk is an uncertain event or set of events that, if it occurs, can affect the achievement of objectives. Therefore, this step is concerned with discovering, recognizing, and clearly describing threats and opportunities that could affect the project’s objectives, including its scope, time, cost, quality, benefits, and sustainability targets.

Identification is performed continuously throughout the project rather than only at its outset. It can draw on workshops, lessons from previous projects, specialist input, assumptions, stakeholder concerns, and reviews of the project context. Each identified risk should be recorded so that it can subsequently be assessed for probability, impact, and proximity, assigned an owner and action owner where appropriate, and managed through suitable responses. This approach supports informed decision-making and helps the project remain viable and controlled as circumstances change. PRINCE2’s risk practice emphasizes managing uncertainty in a structured way to protect and enhance the delivery of project objectives. See PeopleCert PRINCE2 and AXELOS guidance on the PRINCE2 risk theme.