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PRINCE2 Practitioner (PR2P)

Exin PR2P

Version Demo

Total Demo Questions: 21

Total Premium Questions: 210

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Topic Break Down

Topic	No. of Questions
Topic 1, PRINCE2 Principles	10
Topic 2, Tailoring PRINCE2 to the Project Environment	2
Topic 3, PRINCE2 Themes	152
Topic 4, PRINCE2 Processes	44
Topic 5, Mix Questions	2
Total	210

QUESTION NO: 1

The Team Manager has received notification that the new hardware and software solution has been installed and completed, but there is a concern that it has not been approved by the appropriate people.

Which 2 actions should the Team Manager take to check that the completed products have been approved as required?

A. Check the Work Package to ascertain who should approve the completed Work Package.

B. Check the Product Descriptions to ascertain who should have approved the products.

C. Check the Configuration Management Strategy for product handover procedures.

D. Check the approval records as required in the Work Package.

E. Check the Product Descriptions for the quality method required.

ANSWER: B D

Explanation:

Checking the Product Descriptions to ascertain who should have approved the products is appropriate because a PRINCE2 Product Description defines the quality responsibilities for each product. These responsibilities identify the relevant producer, reviewer and approver, providing the Team Manager with the agreed basis for confirming that approval has been obtained from the authorized role or stakeholder. Product Descriptions also establish the product-specific quality expectations that underpin formal acceptance.

Checking the approval records as required in the Work Package is also appropriate because the Work Package is the Team Manager's authorization to create products and specifies the applicable controls, procedures and reporting arrangements. The Team Manager should use the required records as objective evidence that the defined approval activity has taken place and has been captured in accordance with the agreed quality-management and configuration-management arrangements. Together, these checks confirm both that approval was given by the correct authority and that it was formally recorded before the completed product is reported or handed over. This supports PRINCE2's principle of managing products against defined quality criteria and agreed responsibilities. See the PeopleCert PRINCE2 certification overview and the PRINCE2 quality theme overview.

QUESTION NO: 2

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.

Introduction	1. This document contains details of how the project management team will send information to individuals working on the Calendar project, and receive information from them.
Communication procedure	2. See MNO Manufacturing Company standards for all internal company communications.
Tools and techniques	3. Use the staff newsletter to launch the label design competition and to promote the chosen label design. 4. Using the number of responses to the label design competition as a measure, report fortnightly to the Project Board on the effectiveness of the staff newsletter as a vehicle for communication. 5. Use the company website to advertise the promotional calendar to customers.
Records	6. A record should be maintained for each product of the project. As a minimum this should show the project name, product name, product title, and version number. 7. External email and correspondence relating to the Calendar project should be recorded electronically in the project folder. 8. Information received in hard copy should, where possible, should be scanned and filed as above.
Timing of communication activities	9. At the end of each stage, audit and report on the performance of the communication methods being used. 10. Highlight Reports to be provided to appropriate stakeholders, at the frequency defined in each Stage Plan.
Stakeholder analysis: Interested parties	11. Photographer. 12. Print company.
Information needs for each interested party	13. Weekly updates will be provided by email to the individual producing the staff newsletter. 14. Engineering Manager is to be consulted when preparing the photo session schedule.

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.

No Benefits Review Plan has been developed. Where should the schedule of benefit reviews be recorded?

A. As deliverables of the project, all benefit reviews should be scheduled and documented in the Project Plan during initiation.

B. Small projects do not require a schedule of benefit reviews as only one review is required towards the end of the project and this should be documented within the Business Case.

C. Benefit reviews should be planned and recorded in the simple PID.

ANSWER: C

Explanation:

Benefit reviews should be planned and recorded in the simple PID. Under PRINCE2, the Benefits Review Plan is a management product that defines how and when the achievement of expected benefits will be measured and reviewed. Its schedule identifies the points at which benefit realization is to be assessed, including reviews that may occur after the project has closed. This information enables the Executive and other accountable business interests to retain visibility of whether the Business Case benefits are actually being achieved.

The Project Initiation Documentation is the appropriate place because it brings together the baseline information, management approaches, controls, and plans needed to govern the project. Tailoring PRINCE2 for a simple project can reduce the amount of documentation and combine management products, but it must not remove essential management information. Therefore, where a separate Benefits Review Plan has not been created, its required content—particularly the benefit-review schedule—should be incorporated into the simple PID. This preserves a clear, agreed basis for post-project benefit tracking while keeping the documentation proportionate to the project's scale and complexity. PRINCE2 explicitly supports tailoring while retaining the method's core governance and business-justification practices. See PeopleCert PRINCE2 certifications and AXELOS PRINCE2 guidance.

QUESTION NO: 3

Which of the following principles uses Product Descriptions to provide clarity by defining each product's purpose, composition, derivation, format, quality criteria and quality method?

A. Tailor to suit the project environment

B. Focus on products

C. Manage by stages

D. Continued business justification

ANSWER: B

Explanation:

Focus on products is correct because this PRINCE2 principle keeps the project centred on the products it must deliver, rather than merely on the activities undertaken. PRINCE2 requires the project to define products clearly before work begins, so that stakeholders and delivery teams have a shared understanding of what is to be produced and the standards it must meet. Product Descriptions support this by documenting a product's purpose, composition, derivation, format and presentation, as well as its quality criteria and the quality method to be used for checking it.

This product-based approach provides an objective basis for planning, delegation, monitoring and acceptance. Teams can identify the work needed to create each specified product, while the project manager can assess whether completed products meet their documented quality expectations. Defining products and their quality requirements early also helps prevent ambiguity about scope and supports controlled acceptance of deliverables. The official PRINCE2 overview identifies focus on products as one of the method's core principles: PeopleCert PRINCE2 7 Foundation. Further information about PRINCE2's product-based planning approach is available from AXELOS PRINCE2.

QUESTION NO: 4 - (HOTSPOT)

HOTSPOT

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

Column 1 is a list of objectives. For each objective in Column 1, select from Column 2 the quality activity that addresses it. Each selection from Column 2 can be used once, more than once or not at all. Drop down the right answer.

Hot Area:

ANSWER:

Explanation:

Quality planning is the activity that establishes how the project will meet the customer's quality expectations. In PRINCE2, the customer's expectations are considered early and are translated into a practical quality-management approach. This includes defining the applicable quality criteria, standards, techniques, responsibilities, records, and timing for quality activities. It ensures the project has an agreed basis for building products that are fit for purpose and capable of achieving the required acceptance standards. The Project Product Description is especially important because it captures the customer's quality expectations and acceptance criteria, giving the project a clear view of what the completed project must deliver.

Quality control is the product-focused activity used to verify that project products meet their specified quality criteria. It includes planned quality methods such as inspections, reviews, tests, and approvals. Approval of project products therefore belongs to quality control: the product is checked against the agreed specification, and the outcome is recorded so that only products meeting the required criteria are accepted. This supplies objective evidence that the product is complete and suitable for its intended use.

Quality assurance provides confidence that the project is being conducted in line with the organization's quality-management system, governance arrangements, standards, and policies. It is independent of the day-to-day project work and considers whether the project's management and control processes are appropriate and being followed. Confirmation that corporate management standards and policies are being adhered to is consequently a quality-assurance activity. This maintains organizational confidence that the project is managed consistently, while quality planning defines the intended approach and quality control verifies the individual products. Further PRINCE2 guidance and official resources are available from PeopleCert's PRINCE2 certification page and PRINCE2.com's quality overview.

QUESTION NO: 5

Scenario

Additional Information

Product Description

Title	Service Level Agreement.
Purpose	• This agreement specifies the level of service MFH requires from the selected service provider and provides measurable criteria against which the selected service provider's performance will be assessed.
Composition	• Responsibilities of MFH and selected service provider. • Mechanisms for monitoring and reporting performance levels. • Dispute resolution process. • Confidentiality provisions. • Conditions for termination of contract. • Glossary of technical terms contained in SLA.
Format and presentation	• A4, Word document, printed both sides in black and white. • Font: Arial, 12pts.
Quality criteria	• Contains all composition items listed above. • Not more than 60 pages. • Complies with MFH corporate branding standards. • No typographical errors.
Quality skills required	• Proof-reading skills. • Director of Compliance Division - Reviewer. • Director of Information Technology Division - Reviewer. • Administrator.
Quality responsibilities	• Producer/Presenter: Director of Facilities Division. • Chair: Project Manager.

Quality notes from the Daily Log

The Director of Information Technology Division (DIT) has been asked to ensure that any changes to the outsourced staff employment contracts adhere to employment law. The DIT will review future job descriptions of the transferred staff before the final contract is signed with the selected service provider.

The service level agreement between MFH and the selected service provider will specify the type and quality of service required. The selected service provider must follow the industry standards for providing outsourced services.

MFH has a quality management system which contains a document control procedure for all its documentation, however this does not include change management.

All project documents will be subject to a quality review. Nominated products will require a formal approval record signed-off by the quality review chair.

Extract from the draft Quality Management Strategy (may contain errors)

Introduction

1. This document defines the approach to be taken to achieve the required quality levels during the project.

2. The Project Board will have overall responsibility for the Quality Management Strategy.

3. Project Assurance will provide assurance on the implementation of the Quality Management Strategy.

Quality management procedure - Quality standards

4. The selected service provider will operate to industry standards for providing outsourced services.

5. MFH document standards will be used.

Records

6. A Quality Register will be maintained to record the planned quality events and the actual results from thequality activities.

7. Configuration Item Records will be maintained for each product to describe its status, version and variant.

8. Approval records for products that require them will be stored in the quality database.

Roles and responsibilities

9. The DIT will check that the employment contracts for outsourced staff adhere to employment law.

10. Team Managers will provide details of quality checks that have been carried out.

11. Team Managers will ensure that the Quality Register is updated with the names of team members who areinvolved in the review process.

12. The Senior User will review the Product Descriptions of the products to be produced by the selectedservice provider to ensure that they can be achieved.

Which is a correctly defined acceptance criterion for the service level agreement (SLA) with the selected service provider?

A. The SLA must extend for the full duration of the service contract.

B. Any changes to the SLA must be managed through formal change control.

C. External consultants are to assist in the creation of the SLA.

D. The selected service provider should be located locally.

ANSWER: A

Explanation:

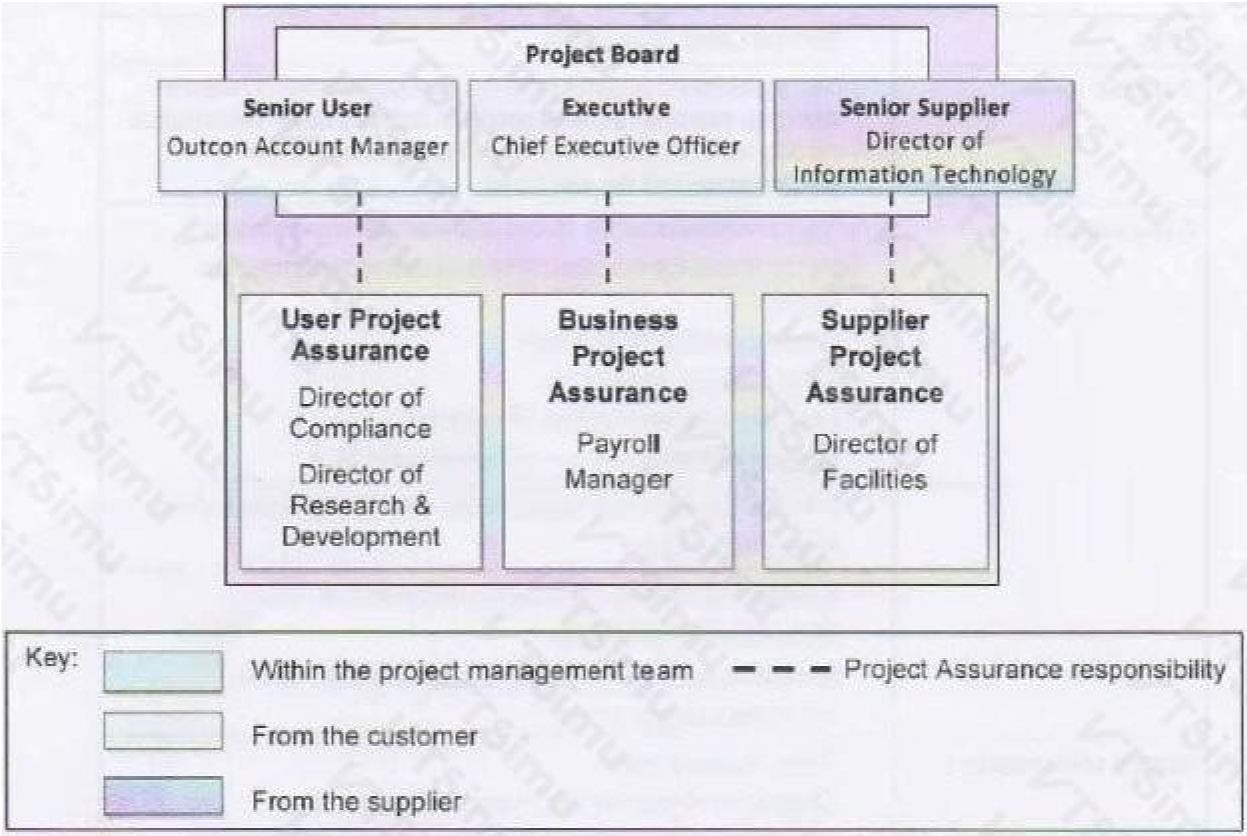
The SLA must extend for the full duration of the service contract. is a correctly defined acceptance criterion because it states an objectively verifiable condition that the completed SLA must satisfy before it can be accepted. The SLA is a key project product establishing the agreed service arrangement with the provider. Its period of applicability must cover the entire contractual service period; otherwise, the delivered agreement would leave part of the contracted service without an agreed specification of service expectations and commitments. This makes the criterion specific, relevant to the product's intended purpose, and testable by comparing the SLA's effective dates and term with those in the service contract.

In PRINCE2, acceptance criteria define the measurable characteristics that a project product must meet for it to be acceptable to the users and other relevant stakeholders. They are documented at project level and provide a basis for confirming that the project's products, including contractual and operational-management products where applicable, are fit for purpose. A criterion concerning full contractual coverage therefore supports clear acceptance of the SLA as a complete governing agreement for the outsourced service. PRINCE2 quality practices also emphasize defining quality specifications and acceptance methods so that product approval is evidence-based. See PeopleCert PRINCE2 certifications and AXELOS PRINCE2 guidance.

QUESTION NO: 6

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 business assurance for this project?

A. Remove because he will be impacted by the project and therefore represents a user.

B. Replace with 'Project Manager' because this is a simple project that does not require additional business assurance.

C. Add Outcome Consultants' because they carried out the feasibility study.

D. Add 'Director of Finance Division' because she is responsible for checking that any supplier and contractor payments are authorized.

E. Retain because he is familiar with the Ministry of Food Hygiene business strategy, the business level risk assessment and the Business Case standards.

ANSWER: D E

Explanation:

Business assurance protects the business interests of the project and provides the Project Board with independent confidence that the project remains desirable, viable, and aligned with organizational objectives. The Payroll Manager should be retained because his involvement in the Ministry's business strategy, business-level risk assessment, and corporate Business Case standards gives him directly relevant knowledge for reviewing whether the project continues to justify its investment and manage business risks appropriately. His financial experience also supports informed scrutiny of the project's forecast costs and expected benefits.

The Director of Finance Division should be added to provide appropriate finance-level assurance. Her remit for ensuring a cost-conscious approach across operational and project activity gives her the authority and perspective needed to assure that supplier and contractor expenditure is properly controlled and authorized. This strengthens the business side of assurance by connecting project spending to the Ministry's financial governance and value-for-money expectations. PRINCE2 describes assurance as an independent Project Board responsibility, covering the business case, risks, and continued justification for the work. See PeopleCert PRINCE2 information and AXELOS PRINCE2 guidance.

QUESTION NO: 7

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 Customer's quality expectations section?

A. Delete entry 16 because this should be shown on the Product Description for the photos.

B. Delete entry 17 because this is beyond the scope of this project.

C. Delete entry 18 because standards should NOT be shown here.

D. Delete entry 19 because this should appear in the Product Description for the calendar and not the Project Product Description.

E. Delete entry 20 because this is an expected benefit and should be recorded in the Business Case.

ANSWER: B E

Explanation:

Delete entry 17 because this is beyond the scope of this project, and delete entry 20 because this is an expected benefit and should be recorded in the Business Case. In PRINCE2, customer quality expectations within the Project Product Description summarize the customer's priority quality requirements and acceptance expectations for the project's final product. They must concern the characteristics, usability, quality level, and relevant high-level expectations for what the project is commissioned to deliver. Content that describes something outside the authorized project scope does not define a quality expectation for the project product, so it should be removed from this section.

Expected benefits are also not customer quality expectations. A benefit describes a measurable improvement resulting from the project's outcomes, such as improved organizational performance, cost savings, or increased revenue. PRINCE2 records the justification for investment, including expected benefits and how they will be measured, in the Business Case. Keeping benefits in the Business Case maintains the distinction between acceptance of the delivered product and the value the organization expects to realize after using it. This separation supports sound governance and continued business justification. See the PRINCE2 certification overview and the PRINCE2 Business Case guidance.

QUESTION NO: 8

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 Timing of risk management activities heading?

A. During stage 4, the selected service provider will manage any risks to their Business Case and report these to the Project Manager on a weekly basis.

B. The Project Board should hold monthly meetings to review project progress.

C. When closing a project, the follow-on action recommendations should be updated with any risks relating to the realization of benefits after the outsourced services go live.

D. Any new risks identified during product development should be reported to the Project Manager by the Team Manager when delivering the completed Work Package.

E. When authorizing a stage, the Project Board will check that the exposure to risk is still acceptable.

ANSWER: C E

Explanation:

“When closing a project, the follow-on action recommendations should be updated with any risks relating to the realization of benefits after the outsourced services go live” belongs under timing because it identifies a specific point in the project lifecycle—project closure—at which risk-related information must be reviewed and transferred for action after the project has ended. PRINCE2 recognizes that risks to benefit realization can continue beyond the project’s life, so these should be captured in follow-on action recommendations for the accountable operational environment.

“When authorizing a stage, the Project Board will check that the exposure to risk is still acceptable” is also a timing statement. Stage authorization is a defined management decision point in PRINCE2. At that point, the Project Board considers whether the forecast risk exposure remains within the project’s agreed risk tolerance before committing resources and authority for the next stage. Recording this review point in the Risk Management Approach ensures that risk governance is planned, repeatable, and aligned with the project’s stage boundaries.

PRINCE2 tailors management approaches to define how and when control activities, including risk reviews and escalations, will occur. See [PeopleCert PRINCE2 7 Foundation]() and [AXELOS PRINCE2 guidance]().

QUESTION NO: 9

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.

Having created the Issue Report and analyzed the impact of removing the Facilities Division from the scope of the Outsourcing project, the proposed option exceeds tolerance. \Nhat is the next action the Project Manager should consider?

A. Create an Exception Report to inform the Project Board of the situation and the available options.

B. Update the associated Configuration Item Records with details of the Issue Report that caused the change.

C. Amend the Stage Plan for stage 3: remove all products related to the Facilities Division and add the activities required to deliver the new Government initiative.

D. Create an Exception Plan to change all of the project's products to reflect the exclusion of services provided by the Facilities Division.

ANSWER: A

Explanation:

Create an Exception Report to inform the Project Board of the situation and the available options. This is the appropriate next action because the Project Manager has assessed the issue, identified a proposed response, and determined that its impact would exceed the project’s delegated tolerance. Under PRINCE2, tolerances establish the Project Manager’s limits of authority. Forecasting an exception means that the Project Manager must escalate to the Project Board, which retains the authority to decide how the project should proceed when delegated limits are exceeded. The Exception Report provides the Board with timely, decision-quality information: the nature and impact of the exception, its consequences for the project, and viable options or recommendations. This enables the Project Board to select a direction, such as approving a revised approach, requesting further work, or authorizing planning at the appropriate level. It also preserves management by exception, a central PRINCE2 principle: routine control remains delegated, while decisions requiring higher authority are escalated. PRINCE2 describes its principles, including management by exception, in the [PeopleCert PRINCE2 certification overview](). Further official guidance and PRINCE2 resources are available through the [PeopleCert AXELOS portfolio page]().

QUESTION NO: 10 - (HOTSPOT)

HOTSPOT 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

Column 1 is a list of actions that occur during the Controlling a Stage process. For each action in Column 1, select from Column 2 the PRINCE2 theme that is being applied. Each selection from Column 2 can be used once, more than once or not at all.

Drop down the answer from column 1 to column 2.

Hot Area:

Column 1	Column 2
Ensure that each product in a completed Work Package has gained its required approval, as defined in its Product Description.	Business Case Organization Quality Plans Risk Change Progress
Carry out an analysis of a potential event that may have a favourable impact on the project's objectives.	Business Case Organization Quality Plans Risk Change Progress
Define the tolerance within a Work Package to be agreed with a Team Manager.	Business Case Organization Quality Plans Risk Change Progress

ANSWER:

Column 1	Column 2
Ensure that each product in a completed Work Package has gained its required approval, as defined in its Product Description.	Business Case Organization Quality Plans Risk Change Progress
Carry out an analysis of a potential event that may have a favourable impact on the project's objectives.	Business Case Organization Quality Plans Risk Change Progress
Define the tolerance within a Work Package to be agreed with a Team Manager.	Business Case Organization Quality Plans Risk Change Progress

Explanation:

The correct application of PRINCE2 themes is based on the management information and control purpose behind each action during Controlling a Stage. Ensuring that every product in a completed Work Package has received the approval stated in its Product Description applies the **Quality** theme. A Product Description records the product's quality specifications, the quality method to be used, and the quality responsibilities. Confirming that the required approval has been obtained provides assurance that the product has met its defined acceptance and quality criteria before the Work Package is treated as complete.

Analysing a possible event that could have a favourable effect on the project's objectives applies the **Risk** theme. In PRINCE2, a risk is an uncertain event or set of events which, if it occurs, can affect achievement of objectives. That effect may be negative, as a threat, or positive, as an opportunity. Assessing the probability, impact and appropriate response for a favourable potential event is therefore risk analysis. This supports informed management decisions and allows the project to exploit or enhance beneficial uncertainty where appropriate.

Defining the tolerance within a Work Package in agreement with a Team Manager applies the **Plans** theme. A Work Package is used to assign planned work, products, constraints and responsibilities to the Team Manager. The planned boundaries, including tolerances for delegated work, establish what the Team Manager may manage without escalation and provide a clear basis for monitoring delivery. This ensures that the Work Package is practical, agreed and aligned with the relevant Stage Plan. PRINCE2's themes are intended to be applied throughout the project, including the detailed planning, quality control and risk-management activities undertaken while a stage is being controlled. See the [PRINCE2 overview from AXELOS] and the [PRINCE2 certification information from PeopleCert].

QUESTION NO: 11

The Project Manager is preparing a Quality Management Approach for a project that will deliver a new employee self-service portal.

Which 2 statements should be included in the Quality Management Approach?

A. The quality standards that will be applied to project products.

B. The responsibilities for quality planning, quality control and quality assurance.

C. The detailed schedule for all quality activities.

D. The project-level tolerances for time and cost.

E. The business options considered before authorizing the project.

ANSWER: A B

Explanation:

Defining the quality standards that will be applied to the project products is correct because the Quality Management Approach establishes how quality will be planned, controlled and assured. The standards may include organizational, regulatory, technical or customer standards that the products must satisfy.

Defining the responsibilities for quality planning, quality control and quality assurance is also correct. Clear allocation of responsibilities ensures that those producing, reviewing, approving and assuring products understand their respective accountabilities. Product-specific quality criteria and approval responsibilities are then recorded in the relevant Product Descriptions.

A detailed project schedule belongs in a Plan, while project-level tolerances are set by the Project Board as part of the project controls. See AXELOS PRINCE2 guidance.

QUESTION NO: 12

Scenario

Additional Information

Product Description

Title	Service Level Agreement.
Purpose	• This agreement specifies the level of service MFH requires from the selected service provider and provides measurable criteria against which the selected service provider's performance will be assessed.
Composition	• Responsibilities of MFH and selected service provider. • Mechanisms for monitoring and reporting performance levels. • Dispute resolution process. • Confidentiality provisions. • Conditions for termination of contract. • Glossary of technical terms contained in SLA.
Format and presentation	• A4, Word document, printed both sides in black and white. • Font: Arial, 12pts.
Quality criteria	• Contains all composition items listed above. • Not more than 60 pages. • Complies with MFH corporate branding standards. • No typographical errors.
Quality skills required	• Proof-reading skills. • Director of Compliance Division - Reviewer. • Director of Information Technology Division - Reviewer. • Administrator.
Quality responsibilities	• Producer/Presenter: Director of Facilities Division. • Chair: Project Manager.

Quality notes from the Daily Log

The Director of Information Technology Division (DIT) has been asked to ensure that any changes to the outsourced staff employment contracts adhere to employment law. The DIT will review future job descriptions of the transferred staff before the final contract is signed with the selected service provider.

The service level agreement between MFH and the selected service provider will specify the type and quality of service required. The selected service provider must follow the industry standards for providing outsourced services.

MFH has a quality management system which contains a document control procedure for all its documentation, however this does not include change management.

Records

Roles and responsibilities

9. The DIT will check that the employment contracts for outsourced staff adhere to employment law.

10. Team Managers will provide details of quality checks that have been carried out.

11. Team Managers will ensure that the Quality Register is updated with the names of team members who areinvolved in the review process.

12. The Senior User will review the Product Descriptions of the products to be produced by the selectedservice provider to ensure that they can be achieved.

None of the reviewers have proof-reading skills.

A. Record an action to request that Project Assurance identify a proof-reader who can, within the next 2 days, complete the check for typographical errors.

B. Ask the reviewers present at the meeting to conduct a proof-reading exercise and pass any comments to the author within 2 days.

C. Contact Project Assurance to find appropriate resources to come into the review.

D. No action required.

ANSWER: A

Explanation:

Record an action to request that Project Assurance identify a proof-reader who can, within the next 2 days, complete the check for typographical errors. This is appropriate because a quality review must confirm that the people performing each review activity are suitably competent for the stated quality criteria. Proof-reading for typographical errors is a distinct review activity, and the stated lack of proof-reading skills means that the required check cannot be reliably completed by the current reviewers. Rather than treating the issue as an informal comment, the review should create a clear action with an owner, a defined deliverable, and a timescale. This ensures the outstanding quality activity is visible, controlled, and followed through before the product is regarded as complete. Project Assurance is an appropriate route for obtaining assurance that the project's quality arrangements are adequate and that suitable resources or expertise are used independently of the team producing the product. Recording the action also supports the project's quality records and provides an auditable basis for confirming that the review has been completed. This reflects PRINCE2's product-focused approach and its emphasis on planned quality control; see PeopleCert PRINCE2 7 Foundation and PRINCE2.com: What is PRINCE2?.

QUESTION NO: 13

Which of the following activities is the Executive responsible for?

A. Ensure the desired outcome of the project is specified

B. Responsible for the benefits review plan

C. Assess and update the Business Case at the end of each stage

D. Responsible for the Benefits Review Plan post project

ANSWER: D

Explanation:

The Executive is accountable for the project's continued business justification and for ensuring that the organization obtains value from its investment. This accountability does not end merely because the project's products have been delivered or the project has closed. Benefits may only be measurable after handover, so arrangements must exist to review whether the forecast benefits have actually been achieved. Therefore, responsibility for the Benefits Review Plan post project sits with the Executive's overarching accountability for realizing the Business Case and ensuring that planned benefits are monitored beyond the project's lifetime. The plan establishes what benefits will be measured, when reviews will occur, who will perform them, and how results will be reported to the organization. This enables the Executive to ensure that benefit realization remains owned and governed after the project management team has been disbanded. PRINCE2 defines clear project-board accountabilities so that delivery decisions remain linked to the organization's business interests, expected benefits, and investment rationale. See the official PRINCE2 certification overview and AXELOS PRINCE2 guidance.

QUESTION NO: 14

Project Scenario

Calendar Project (Note: The companies and people within the scenario are fictional.)

There has been a reduction in fie number of orders at the MNO Manufacturing Company due in part to the increased marketing activities of its competitors. To help counter this, the company has decided to create a promotional calendar for next year for all its current and prospective customers. The end product of this project will be a prepared calendar pack, ready for printing. The design of the calendar will be similar to one sent out previously, and must reflect the company image as described in the existing corporate branding standards. Another project is currently producing a new company logo when is to be printed on each page of the promotional calendar. The prepared calendar pack will consist of:

- Design for each month - correctly showing at public holidays and new company logo

- Selected photographs- 12 professionally-produced photographs, showing different members of staff

- Selected paper and selected envelope - for printing and mailing the calendar

- Chosen label design - a competition to design a label will be held as part of this project

- List of customers - names and addresses of customers to whom the calendar will be sent.

The project is currently in initiation and will have two further stages:

Stage 2 will include tie activities to:

- Create the customer fast using information from the Accounts and Marketing departments

- Confirm compliance with the Data Protection Legislation

- Create a design for each month - this will be done by the internal creative team Select and appoint a professional photographer

- Gather photograph design ideas from previous project and agree photographic session schedule ▪ Prepare a production cost forecast ▪ Select paper and envelope.

Stage 3 will include the activities to:

- Produce and select tie professionally-taken photographs ▪ Hold the label design competition and choose the label design ▪ Assemble the prepared calendar pack.

A production cost forecast, based on the options and costs for the paper, envelope, printing and marketing of the calendar is to be produced in stage 2. However, the actual production and distribution of the calendars is not within the scope of the project. The product cost forecast will be reviewed by the Project Board to determine whether tie project should continue.

It is now 05 October and the prepared calendar pack must be delivered to the print company by 30 November, to enable printing and distribution of the calendar in time for Christmas. The cost of the activities to develop the specialist products and the cost of the project management activities are estimated to be £20,000. There is a project time tolerance of +1 week /-2 weeks and a project cost tolerance of +£6,000 / -£6,000. A change budget of £500 has been allocated but there is no risk budget.

During stage 2, if the Project Manager decides to recommend that the Project Plan is revised to finish three weeks later, which statement is correct?

A. The tolerances stated in the Project Plan CANNOT be changed.

B. The Executive needs to seek formal approval from corporate management to implement this change.

C. The current project must close prematurely and be restarted with a new Project Plan, a new Business Case and new Risk Register.

D. The revision of the Project Plan would have to wait until the end stage assessment of stage 2.

ANSWER: B

Explanation:

The Executive needs to seek formal approval from corporate management to implement this change. The proposed revised completion date is three weeks later than planned, whereas the approved project-level time tolerance permits only one week later. This is therefore forecast to exceed project tolerance and constitutes an exception. PRINCE2 applies management by exception: authority is delegated within agreed tolerances, but authority for a forecast outside those tolerances remains with the level that set them—typically corporate, programme management, or the customer/supplier environment.

The Project Manager should escalate the forecast through the Project Board using an Exception Report. The Project Board can assess its consequences for the Business Case, delivery deadline, benefits, risks, and any available recovery actions. However, it cannot simply authorize a revised Project Plan that changes the tolerance boundary delegated by corporate management. As the Executive is accountable for the project's continued business justification and is the Project Board's link to corporate or programme management, the Executive seeks that formal decision. If approval is granted, the project's authorized baseline and/or tolerances can then be updated and an appropriate Exception Plan may be requested or approved under the authority specified by corporate management. This preserves clear accountability for decisions beyond delegated project authority. PRINCE2's governance and management-by-exception approach is described by PeopleCert's PRINCE2 overview and AXELOS PRINCE2 guidance.

QUESTION NO: 15

It is now late October and the project is in stage 3. The label design competition has been held and the photos of the staff have been taken. The CEO and Marketing Director still need to choose the winning label design and the 12 photos for the calendar. However, the Executive has learned that two competitors are issuing calendars to MNO's customers by the middle of November. After analyzing the impact of this Issue, one of the options the Project Manager has presented to the Project Board is to close the project prematurely. There are a number of key facts relating to this project that would need to be recorded if the project Y-e to be closed now.

Which product should show that without the calendar the company is going to experience difficulties recovering its decline in orders, and alternative solutions are required if the company is going to recover its position?

A. Benefits Review Plan

B. Exception Report

C. End Project Report

D. Risk Register

ANSWER: C

Explanation:

The **End Project Report** is correct because it is the formal report produced when a project is being closed, including when the Project Board decides that premature closure is appropriate. It records the project's performance against its approved objectives and tolerances, the extent to which products were delivered, and an assessment of benefits achieved or forecast. In this situation, the report should document the business impact of ending the calendar project: the calendar will not be available to support recovery from declining orders, so the expected commercial benefit is unlikely to be realized through this project. It should also record recommendations for follow-on action, such as identifying and evaluating alternative ways to recover the company's market position. This gives the Project Board and corporate management a clear, auditable account of the closure decision, its effect on the Business Case, and the actions that remain necessary after closure. PRINCE2 treats closing as a management activity that confirms the project's status, captures lessons, and provides information needed for decisions on post-project actions and benefits. See the PeopleCert PRINCE2 certification overview and the PRINCE2 best-practice overview.

QUESTION NO: 16

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:

The Team Manager should raise an issue explaining that tolerances are forecast to be exceeded. The rejected product requires an estimated three weeks for correction and re-assessment, while the Work Package has only one week of time tolerance. This is therefore a forecast exception at Work Package level. PRINCE2 delegates control within agreed tolerances, but requires escalation to the Project Manager when a Team Manager forecasts that those limits will be exceeded. Raising the issue promptly gives the Project Manager the information needed to assess the impact, decide whether corrective action is possible, and, where necessary, escalate through the project's management-by-exception controls.

The Team Manager should also ensure that the Quality Register is updated with the quality review result. The Quality Register records planned and completed quality-control activities and their outcomes. Recording the rejection, including the review result and resulting follow-up, provides an auditable quality record and ensures the Project Manager has reliable information when evaluating the exception and deciding how the product should be corrected and re-assessed. These actions align with PRINCE2's focus on formal quality control, product status visibility, and escalation based on tolerances. See PeopleCert's PRINCE2 certification overview and AXELOS PRINCE2 guidance.

QUESTION NO: 17

The Project Board has requested an Exception Plan because the current Stage Plan is no longer viable. Which 2 statements are correct?

A. It replaces the plan that is no longer viable.

B. It must be authorized by the Project Board before it becomes the revised baseline.

C. It is prepared instead of notifying the Project Board of the exception.

D. It always replaces the Project Plan, regardless of where the exception occurred.

E. It removes the need to review the Business Case.

ANSWER: A B

Explanation:

An Exception Plan replaces the plan that is no longer viable. It is produced when an exception has been forecast or has occurred and provides a revised basis for completing the affected work within the direction given by the Project Board. Once approved, it becomes the new baseline for control at the relevant plan level.

The Project Board must authorize the Exception Plan before it can be used as the revised approved plan. This maintains management by exception: the Project Manager does not independently alter the authorized stage or project baseline after tolerances have been exceeded.

An Exception Plan does not automatically replace the whole Project Plan. It replaces the plan at the level for which the exception has occurred, which may be a Stage Plan, Project Plan, or Team Plan as tailored by the project.

See PeopleCert PRINCE2 7 Foundation.

QUESTION NO: 18

Starting Up a project is triggered by which of the following?

A. Legislation

B. Corporate Strategy

C. Risks

D. Mandate

ANSWER: D

Explanation:

In PRINCE2, the process *Starting Up a Project* is triggered by a project mandate. A mandate is the initial notification that identifies a need, opportunity, problem, or request requiring consideration as a potential project. It originates outside the project-management team, typically from corporate, programme-management, customer, or operational-management levels. Its format and level of detail can vary considerably, from a formal document to a verbal request, but it provides the authority to begin the pre-project work.

Once the mandate is received, the executive is responsible for ensuring that the necessary information is assembled to judge whether the proposed project is worthwhile and viable. Starting Up a Project then develops the project brief, prepares the outline business case, appoints the project-management team, selects the project approach, and plans the initiation stage. This work ensures that a sound basis exists before significant resources are committed to project initiation and delivery. The mandate therefore acts as the formal trigger for PRINCE2's pre-project activity. See the official PRINCE2 overview at PeopleCert PRINCE2 and AXELOS guidance on the method at AXELOS PRINCE2.

QUESTION NO: 19

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.

Which 2 statements should be recorded under the Costs heading?

A. The MNO marketing budget this year is £120k.

B. The project will be funded from the business marketing budget.

C. 10 further orders with an average profit of £2k will deliver a benefit of £20k in the first year.

D. The new company logo is estimated to cost £4k.

E. Project costs are estimated to be a total of £26.5k.

ANSWER: D E

Explanation:

“The new company logo is estimated to cost £4k.” and “Project costs are estimated to be a total of £26.5k.” belong under Costs because they state monetary expenditure needed to deliver the project. A cost entry in a PRINCE2 business case captures the forecast financial resources required for the selected approach, including identifiable component costs and the overall estimated project expenditure. The logo estimate is a discrete cost item associated with producing the promotional calendar solution. The total of £26.5k provides the consolidated project-cost forecast that can be used to assess value for money, affordability, and continuing business justification.

PRINCE2 uses the business case to document the rationale for investment, including expected benefits, costs, timescales, and risks. Recording both the specific logo cost and the total project estimate supports traceability from individual planned expenditure to the aggregate investment decision. These figures can then be monitored and refined through project controls as estimates become more certain. The stated funding source is relevant financial context, but it identifies where money comes from rather than the cost of undertaking the work. Further information on PRINCE2’s business-case and continued-justification approach is available from PeopleCert PRINCE2 and AXELOS PRINCE2 guidance.

QUESTION NO: 20

Which of the following should NOT be included in the business case?

A. Reasons

B. Major Risks

C. Business options

D. Business approach

ANSWER: D

Explanation:

The Business Case is PRINCE2’s continuing justification for undertaking a project. Its purpose is to document why the project is needed, assess whether it represents a worthwhile investment, and provide decision-makers with the information needed to authorize and continue the work. Accordingly, it includes the reasons for the project, available business options, expected benefits and dis-benefits, timescales, costs, investment appraisal, and major risks. These elements enable the project board to judge whether the anticipated value remains sufficient in relation to cost, risk, and time.

Business approach should not be included in the Business Case. In PRINCE2, the business approach describes how the project will be undertaken at a high level, including relevant delivery approaches, commercial arrangements, and procurement considerations. This is project-definition and delivery-context information rather than the justification for investment. Keeping it separate ensures that the Business Case remains focused on the rationale and value for the organization, while delivery approach details are managed through the appropriate project documentation and plans.

PRINCE2 emphasizes that business justification must be established before commitment and then reviewed throughout the project lifecycle. See [PeopleCert's PRINCE2 7 certification overview] and [PRINCE2 guidance on the Business Case].

QUESTION NO: 21

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 Expected benefits heading?

A. The 10-year outsourcing contract, at current prices, will be worth £80m.

B. Outsourcing would allow MFH to take advantage of the best services the outsourcing industry has to offer.

C. The total expected savings over 10 years, at current prices, is £20m.

D. The 10-year outsourcing contract will enable MFH to stabilize costs at agreed levels.

E. The confirmed cost of the Outsourcing project is £2.5m, but with considerable savings over 10 years.

ANSWER: C D

Explanation:

Expected benefits in the PRINCE2 Business Case describe the measurable improvements and advantageous outcomes that the organization expects to realize as a result of the project's products. "The total expected savings over 10 years, at current prices, is £20m." is an expected benefit because it states the quantified financial improvement identified in the scenario. It provides a clear basis for subsequent benefits review and for assessing whether the project continues to offer value for money.

"The 10-year outsourcing contract will enable MFH to stabilize costs at agreed levels." is also an expected benefit. Cost stability is a desirable operational and financial outcome of the proposed outsourcing arrangement: it gives MFH increased predictability over the cost of the services during the contract period. This supports the strategic driver to reduce costs and improve control of supplier-delivered services. In the Business Case, both benefits should subsequently be assigned measures, timing, tolerances, and ownership so their realization can be reviewed after delivery. PRINCE2 requires the Business Case to justify the project based on expected benefits, costs, risks, and timescales throughout its life. See PeopleCert PRINCE2 certifications and PRINCE2.com: What is a Business Case?.