



***The Practitioner Examination***

EX03

***Question Booklet***

***Candidate Number:*** .....

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Syllabus areas covered:

Question 1 - Starting Up a Project + Initiating a Project Processes

Question 2 - Organization Theme

Question 3 - Quality Theme

Question 4 - Plans Theme

Question 5 - Business Case Theme

Question 6 - Risk Theme

Question 7 - Change Theme

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Question Number 1

Syllabus Area Starting Up a Project + Initiating a Project Processes

Syllabus Area	Question Number	Part	Marks
Starting Up a Project + Initiating a Project Processes	1	A	4

Each of the following 4 questions includes a list of **true statements** made during the Starting up a Project process.

1	Which statement is an appropriate entry for the Lessons Log?
A	This is the first time that the Ministry of Food Hygiene (MFH) has been involved in outsourcing.
B	Based on feedback from other government departments, the Ministry of Trade and Industry has provided the names of two outsourcing companies that are unreliable and should not be included as potential service providers.
C	The feasibility study estimated that the outsourcing project would take two years to complete.
D	Only the Information Technology Division and Facilities Division will be outsourced.
2	Which statement is an appropriate entry for the <b>outline Business Case</b> heading within the Project Brief?
A	A 10-year service contract should be agreed with the selected service provider.
B	External consultants were employed to conduct a feasibility study to identify the options, their likely costs and benefits.
C	The project will run for two years and the benefits will be realized over 10 years.
D	The project should be split into four management stages.
3	Which statement is an appropriate entry for the <b>project approach</b> heading within the Project Brief?
A	The initial estimates from the feasibility study will be verified during the initiation stage.
B	MFH must better manage suppliers' performance.
C	The Information Technology Division and the Facilities Division will be outsourced to a single service provider.
D	The Project Manager will be responsible for ensuring that the agreed project approach remains an appropriate choice.
4	Which statement is an appropriate entry for the Initiation Stage Plan?
A	The Daily Log has been updated with the new risks which were identified while preparing the Initiation Stage Plan.
B	The plan is based on the external outsourcing consultants being available at the start of the initiation stage.
C	The initial project cost estimate of £2.5m, will have a tolerance of +£125k / -£75k.
D	The project management team will consist of representatives from the IT and Facilities Divisions.

Syllabus Area	Question Number	Part	Marks
Starting Up a Project + Initiating a Project Processes	1	B	4

Using the Project Scenario, answer the following 4 questions.	
1	<p>During stage 1 the level of performance expected from the service provider was changed. After this change was agreed which of these products will require updating?</p> <p>A Project Brief because this is maintained throughout the project to reflect the customer's quality expectations.</p> <p>B Project Product Description because this contains details of the expected performance of the project's products.</p> <p>C Quality Management Strategy because this is where all of the customer's quality expectations of the project's products should be documented.</p>
2	<p>While capturing previous lessons, the Project Manager discovered several interesting facts about outsourcing. Which fact is an appropriate lesson for the Outsourcing project?</p> <p>A Outsourcing is a growth industry and is being implemented by many private sector organizations.</p> <p>B Four other government departments are also considering outsourcing some of their business functions next year.</p> <p>C Contracts with service providers should include the timescale within which readiness for service is expected following the transfer of equipment and staff.</p>
3	<p>While deciding on how the work of the project should be approached the following were considered. Which statement is appropriate for inclusion in the <b>project approach</b> heading in the Project Brief?</p> <p>A The Project Manager will involve the selected service provider in the creation of the Stage Plan for stage 4.</p> <p>B New up-to-date software will be obtained to produce the graphical sections of the Project and Stage Plans.</p> <p>C The detailed designs (future process, systems, operating and organization models) will be based on the existing high-level designs.</p>
4	<p>While planning the initiation stage, the Project Manager reviewed some threats that had been recorded in the Daily Log. Which threat should have been assessed for possible risk responses to be included in the Initiation Stage Plan?</p> <p>A MFH has no experience in outsourcing and this may affect understanding of what is required, resulting in inadequate plans and strategies.</p> <p>B The Project Brief is a complex document and may not be approved by the Executive.</p> <p>C There is a shortage of service providers so there is a possibility that no suitable service providers respond to the request for proposals. This would prevent the Outsourcing project from proceeding.</p>

Syllabus Area	Question Number	Part	Marks
Starting Up a Project + Initiating a Project Processes	1	C	4

**Using the Project Scenario, answer the following 4 questions about the Initiating a Project process.**

1	<p>While preparing the Risk Management Strategy, the Project Manager considered the commercial customer/supplier environment and how this may affect the management of risk. Which approach should the Outsourcing project adopt?</p> <p>A Plan to use the selected service provider's risk management procedures.</p> <p>B All project risks associated with the specialist deliverables should be owned by the selected service provider.</p> <p>C Due to the sensitive nature of this project, consideration should be given to creating a separate Risk Register to be held by MFH and the selected supplier.</p>
2	<p>While preparing the Configuration Management Strategy, the Project Manager considered the options for change control. He decided to recommend a change budget of £250k, but was undecided on the Change Authority to recommend. Which option is an appropriate Change Authority for the Outsourcing project?</p> <p>A The selected service provider to approve and implement all changes.</p> <p>B Senior User(s) and Project Assurance representatives, within the limits of the recommended change budget.</p> <p>C The Director of Facilities and the Director of Information Technology to approve all changes.</p>
3	<p>While preparing the Quality Management Strategy, the Project Manager noticed that the corporate quality management system does not specifically cover project management. Which option provides an appropriate way for the Project Manager proceed?</p> <p>A Record the development of a corporate quality management system for project management as a prerequisite of the Project Plan.</p> <p>B Proceed with the project without a Quality Management Strategy and adopt the selected service provider's standards in stage 4.</p> <p>C Seek relevant organizational standards, then facilitate a workshop to discuss the Quality Management Strategy with Project Assurance.</p>
4	<p>Which project controls should be established for the Outsourcing project?</p> <p>A Highlight Reports to the Project Manager; Exception Reports to the Project Board when project tolerances are forecast to be exceeded.</p> <p>B Highlight Reports to the Project Board; Exception Reports to corporate management when stage tolerances are forecast to be exceeded.</p> <p>C Highlight Reports to the Project Board; Exception Reports to the Project Board when stage or project tolerances are forecast to be exceeded.</p>

Question Number 2

Syllabus Area Organization Theme

Syllabus Area	Question Number	Part	Marks
Organization Theme	2	A	6

**Using the additional information provided for this question in the *Scenario Booklet*, answer the following 6 questions.**

Each question includes a number of alternative actions supported by **true statements** about the proposed candidate for that role. Select the 2 alternative actions which, in the context of a PRINCE2 organization structure, roles and responsibilities, provide an appropriate evaluation of, or alternative to, the proposed candidate for that role.

Remember to limit your answers to the number of selections requested in each question.

1	Which <b>2</b> alternative actions apply to the proposed Executive for this project?
A	Retain because he accepts that outsourcing is the best solution.
B	Replace with 'Director of Finance Division' because she can ensure a cost-conscious approach to the project that gives value for money.
C	Retain because he has the right level of authority to be able to control the strategic nature of the Outsourcing project.
D	Add 'Director of Finance' because she understands the operation of the Information Technology Division and the Facilities Division.
E	Replace with 'Payroll Manager' because he is a very experienced and efficient qualified accountant.
2	Which <b>2</b> 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.

Question continues on next page

3	<p>Which <b>2</b> alternative actions apply to the proposed Senior Supplier for this project?</p> <p>A Retain because she is responsible for the design of the future Information Technology organization and working practices.</p> <p>B Add 'Director of Facilities' because he is responsible for the design of the future organization, processes, systems and operation models for Facilities.</p> <p>C Add 'Hardware Manager' because he provides computer hardware to all business functions and will be impacted by the outcome.</p> <p>D Remove because she only represents the Information Technology Division.</p> <p>E Replace with 'Director of Facilities' because he supports the initiative and has many ideas about how to improve the service.</p>
4	<p>Which <b>2</b> alternative actions apply to the proposed business assurance for this project?</p> <p>A Remove because he will be impacted by the project and therefore represents a user.</p> <p>B Replace with 'Project Manager' because this is a simple project that does not require additional business assurance.</p> <p>C Add 'Outcon Consultants' because they carried out the feasibility study.</p> <p>D Add 'Director of Finance Division' because she is responsible for checking that any supplier and contractor payments are authorized.</p> <p>E Retain because he is familiar with the Ministry of Food Hygiene business strategy, the business level risk assessment and the Business Case standards.</p>
5	<p>Which <b>2</b> alternative actions apply to the proposed supplier assurance for this project?</p> <p>A Retain because he has a professional facilities qualification and so is in a position to specify the needs of his division.</p> <p>B Retain because he will be able to advise on many of the products that will enable outsourcing to happen, such as the 10-year outsourcing service contract.</p> <p>C Retain because he is well-regarded within the Ministry because of the efficiencies, superb service and savings he has achieved in the Facilities Division.</p> <p>D Add 'Outcon Account Manager' because he will advise on potential changes and their impact on the integrity of the project's products.</p> <p>E Remove because he is involved with the project and is therefore NOT independent.</p>
6	<p>Which <b>2</b> alternative actions apply to the proposed user assurance for this project?</p> <p>A Retain because they are both very positive about outsourcing the selected business functions.</p> <p>B Retain because their divisions will be the major users of the outsourced services and they can provide the user perspective on the impact of any proposed changes.</p> <p>C Remove because neither of these individuals are from the business functions to be outsourced.</p> <p>D Retain because selecting only one of them may cause unnecessary conflict.</p> <p>E Retain because they are able to help identify stakeholders and their communication requirements.</p>

Syllabus Area	Question Number	Part	Marks
Organization Theme	2	B	6

**Using the Project Scenario and the additional information provided for this question in the *Scenario Booklet*, answer the following question about roles on the Outsourcing project.**

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.

Option	Assertion	Reason
A	True	True AND the reason explains the assertion
B	True	True BUT the reason does not explain the assertion
C	True	False
D	False	True
E	False	False

	Assertion		Reason
1	The Outcon Account Manager should be appointed as a Senior Supplier for the project.	BECAUSE	Senior Suppliers are responsible for the provision of supplier resources.
2	The Director of Finance would be an appropriate choice for the role of a Senior Supplier.	BECAUSE	The Senior Supplier must demonstrate that the forecast benefits are realized.
3	After being selected in stage 3, a representative from the selected service provider should join the Project Board as a Senior Supplier in stage 4.	BECAUSE	The Senior Supplier is responsible for assessing the viability of the project approach.
4	A specialist outsourcing consultant from Outcon would be an appropriate choice to provide supplier assurance during stage 2.	BECAUSE	Supplier assurance ensures that supplier standards are met and used effectively.
5	The Hardware Manager would be an appropriate choice for the role of Senior Supplier.	BECAUSE	The Senior Supplier is accountable for the quality of the products delivered by the supplier(s).
6	The Payroll Manager is an appropriate choice to provide business assurance.	BECAUSE	Business assurance should be undertaken by someone with an accountancy qualification.

Question Number 3

Syllabus Area Quality Theme

Syllabus Area	Question Number	Part	Marks
Quality Theme	3	A	4

Each of the following 4 questions includes a list of statements about the acceptance criteria that should have been recorded in the Project Product Description.

1	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.
2	Which is a correctly defined acceptance criterion for the transferred facilities computer system?	
	A	Must be subject to regular back-ups.
	B	Planned periods of shutdowns of the computer system must be kept to a minimum.
	C	No (zero) loss of system functionality.
	D	Back-up of data must be kept until the data is no longer needed.
3	Which is a correctly defined acceptance criterion for the transferred staff?	
	A	No staff are to be left behind.
	B	Staff should be transferred as soon as possible.
	C	All legal requirements are adhered to for the transfer of staff.
	D	Retained staff should be of reasonable competence to maintain the SLA.
4	Which is a correctly defined acceptance criterion for the running cost of the outsourced service?	
	A	Must be kept to a minimum.
	B	Must be kept to a level acceptable to the Ministry of Food Hygiene.
	C	Subject to market conditions.
	D	The annual increase to be less than half the rate of inflation.

Syllabus Area	Question Number	Part	Marks
Quality Theme	3	B	4

Using the Project Scenario and the Product Description provided as additional information for this question in the *Scenario Booklet*, answer the following question.

The Work Package to produce the service level agreement has a tolerance of +2 days / -2 days. The product has been delivered on target and the quality review meeting is taking place.

The following 4 entries have been included in the consolidated question list or raised at the meeting. Select the appropriate action which should now be agreed by the review team to deal with each entry.

1	Although it is not specified in the current corporate branding standards, the MFH corporate logo should be shown on the front page of the service level agreement.
A	Obtain agreement from the Director of Facilities Division to amend this within the remaining +2 days tolerance.
B	Raise an issue (off-specification).
C	Raise an issue (request for change).
D	Accept this error as a concession.
2	The service level agreement looks like any other MFH document.
A	Obtain agreement from the Director of Facilities Division to redesign the service level agreement within the remaining +2 days tolerance.
B	Raise an issue (off-specification).
C	Accept this error as a concession.
D	No action required.
3	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.
4	The service level agreement contains a number of technical terms that are missing from its glossary of terms.
A	Obtain agreement from the Director of Facilities Division to add these into the glossary of terms within the remaining +2 days tolerance.
B	Raise an issue (off-specification).
C	Raise an issue (request for change).
D	No action required.

Syllabus Area	Question Number	Part	Marks
Quality Theme	3	C	4

Using the Quality notes from the Daily Log and the Extract from the draft Quality Management Strategy provided as additional information for this question in the *Scenario Booklet*, answer the following 4 questions about the Quality Management Strategy.

1	Which statement applies to the <b>Introduction</b> section?
A	Delete entry 1 because the project approach is defined in the Project Brief.
B	Delete entry 2 because this is the Project Manager's responsibility.
C	Delete entry 3 because it is the Project Manager's responsibility to implement the Quality Management Strategy.
D	Move entry 3 to the <b>Roles and responsibilities</b> section because this is a quality responsibility.
2	Which statement applies to the <b>Quality standards</b> section?
A	Delete entry 4 because external suppliers are responsible for applying any relevant standards to their work.
B	Delete entry 5 because the lack of a change management procedure makes the MFH document standards unsuitable.
C	Add 'All contracts must conform to current employment laws'.
D	Add 'PRINCE2 change control procedures will be used to manage any changes to baselined products'.
3	Which statement applies to the <b>Records</b> section?
A	Delete entry 6 because this information should be included in Stage or Team Plans.
B	Move entry 6 to the <b>Reporting</b> section because the information should be used to report on quality activities.
C	Delete entry 7 because this should be included in the Configuration Management Strategy.
D	Delete entry 8 because the results of quality reviews are recorded in the Quality Register.
4	Which statement applies to the <b>Roles and responsibilities</b> section?
A	Delete entry 9 because this should only be recorded in the Product Description.
B	Delete entry 10 because this is the responsibility of the quality review chair.
C	Delete entry 11 because only the Project Manager can update the Quality Register.
D	Amend entry 12 because this is the responsibility of supplier assurance.

Question Number 4

Syllabus Area Plans Theme

Syllabus Area	Question Number	Part	Marks
Plans Theme	4	A	6

Column 1 is a list of **true statements** to be included in the Stage Plan for stage 2. Column 2 is a selection of Stage Plan headings. For each statement in Column 1, select from Column 2 the Stage Plan heading under which it should be recorded. Each selection from Column 2 can be used once, more than once or not at all.

	Column 1	Column 2
1	This plan includes the detailed design of the process model, systems model, operating model and organization model.	A Plan description B Plan prerequisites
2	A monthly stage status report will be provided to the Project Board.	C External dependencies
3	The high-level models, produced in the feasibility study by the management consultants, will be used by the project.	D Planning assumptions
4	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.	E Lessons incorporated F Monitoring and control
5	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.	G Budgets H Tolerances
6	Time: +2 weeks / -2 weeks.	I Schedule

Syllabus Area	Question Number	Part	Marks
Plans Theme	4	B	6

**Using the Project Scenario, answer the following question.**

**The project has a cost tolerance of +5% / -5%, of which stage 2 has a tolerance of +£45k / -£45k.**

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.

Option	Assertion	Reason
A	True	True AND the reason explains the assertion
B	True	True BUT the reason does not explain the assertion
C	True	False
D	False	True
E	False	False

	Assertion		Reason
1	If stage 2 exceeds its target by £20k the Stage Plan should be replaced by an Exception Plan.	BECAUSE	When the Stage Plan is updated with activities to deal with any deviations from planned cost and time, this is called an Exception Plan.
2	The Team Plan required for the development of the service level agreement should be produced in consultation with supplier assurance.	BECAUSE	Supplier assurance should confirm that Team Plans are in accordance with relevant supplier standards.
3	The Stage Plan for stage 2 should be prepared during the initiation stage.	BECAUSE	All Stage Plans are produced near the end of the initiation stage.
4	A final stage (stage 5), covering project closure, should be added to the Project Plan.	BECAUSE	The Project Plan covers all management stages.
5	The cost tolerance planned for each stage should be +5% / -5%.	BECAUSE	Project tolerances for cost and time should always be allocated equally between all of the stages.
6	The key deliverables and estimates from the feasibility study should provide a major input to the Project Brief.	BECAUSE	The feasibility study should confirm all project costs.

Question Number 5

Syllabus Area Business Case Theme

Syllabus Area	Question Number	Part	Marks
Business Case Theme	5	A	6

Each of the following 6 questions includes a number of **true statements** about the Outsourcing project but only 2 statements are appropriate entries for that heading in the project's Business Case.

Remember to limit your answers to the number of selections requested in each question.

1	Which <b>2</b> statements should be recorded under the <b>Reasons</b> 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.
2	Which <b>2</b> statements should be recorded under the <b>Business options</b> 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.
3	Which <b>2</b> statements should be recorded under the <b>Expected benefits</b> 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.

Question continues on next page

4	Which <b>2</b> statements should be recorded under the <b>Expected dis-benefits</b> heading?
	<ul style="list-style-type: none"><li>A An investment of £2.5m is required.</li><li>B Staff morale will be negatively affected.</li><li>C The project will take two years to deliver.</li><li>D Staff may lose the opportunity to work in Information Technology.</li><li>E MFH will lose direct control over the outsourced business functions.</li></ul>
5	Which <b>2</b> statements should be recorded under the <b>Timescale</b> heading?
6	Which <b>2</b> statements should be recorded under the <b>Major risks</b> heading?

Syllabus Area	Question Number	Part	Marks
Business Case Theme	5	B	6

**Using the Project Scenario, answer the following question.**

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.

Option	Assertion	Reason
A	True	True AND the reason explains the assertion
B	True	True BUT the reason does not explain the assertion
C	True	False
D	False	True
E	False	False

	Assertion		Reason
1	The selected service provider should have their own Business Case for the work they are doing on the Outsourcing project.	BECAUSE	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.
2	The cost of managing the outsourcing contract should be included in the Business Case.	BECAUSE	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.
3	The <b>Business options</b> section of the Business Case will need to be updated if the industry standards for outsourcing are changed.	BECAUSE	The <b>Business options</b> section of the Business Case describes options that have been considered to address the business problem.
4	Any expected benefit from increasing staff flexibility should be included in the Business Case.	BECAUSE	The Business Case should list each benefit that it is claimed would be achieved by the project's outcome.
5	The End Project Report should identify whether the expected savings of £20m over 10 years have been achieved.	BECAUSE	All benefits in the Business Case should be achieved before a project is closed.
6	The Project Board should ensure that the Benefits Review Plan includes the mechanisms for measuring all the claimed benefits of outsourcing.	BECAUSE	The Benefits Review Plan is created in the initiation stage.

Question Number 6

Syllabus Area Risk Theme

Syllabus Area	Question Number	Part	Marks
Risk Theme	6	A	6

Answer the following 6 questions about the project's Risk Management Strategy.

Each question includes a list of statements but, according to PRINCE2, only 2 statements are appropriate entries for that heading in the project's Risk Management Strategy.

Remember to limit your answers to the number of selections requested in each question.

1	<p>Which <b>2</b> statements should be recorded under the <b>Risk management procedure</b> heading?</p> <p>A When a new problem arises, a full impact analysis will be undertaken to assess the impact on the project's objectives and Business Case.</p> <p>B Probability will be assessed against the scales defined in this Risk Management Strategy.</p> <p>C Any risk which has an expected value of more than £1k will NOT be registered.</p> <p>D Every threat and opportunity identified must be clearly defined in terms of cause, event and effect.</p> <p>E 'Reduce' - Response actions which result in a lower impact and/or probability rating.</p>
2	<p>Which <b>2</b> statements should be recorded under either the <b>Records</b> or <b>Reporting</b> headings?</p> <p>A Project Support will maintain the Risk Register.</p> <p>B The evaluated net effect of all risks will be updated at the end of each stage and included in the End Stage Report.</p> <p>C The Change Authority will report monthly to the Project Manager on the status of the change budget.</p> <p>D Risks that are likely to occur within the next two weeks should be recorded as imminent.</p> <p>E A summary of risks will be maintained and included with the monthly Highlight Reports to the Project Board.</p>
3	<p>Which <b>2</b> statements should be recorded under the <b>Timing of risk management activities</b> heading?</p> <p>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.</p> <p>B The Project Board should hold monthly meetings to review project progress.</p> <p>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.</p> <p>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.</p> <p>E When authorizing a stage, the Project Board will check that the exposure to risk is still acceptable.</p>

Question continues on next page

4	<p>Which <b>2</b> statements should be recorded under the <b>Roles and responsibilities</b> heading?</p> <p>A Each risk will be assigned a risk owner.</p> <p>B Risks exceeding the agreed project risk tolerance will be reported to the Project Board.</p> <p>C Risk tolerances are allocated to each stage by the Project Manager.</p> <p>D Project Assurance will ensure that project risks are identified, assessed and controlled according to the agreed risk management procedure.</p> <p>E An external consultant is to facilitate a risk identification workshop.</p>
5	<p>Which <b>2</b> statements should be recorded under the <b>Proximity</b> heading?</p> <p>A Proximity categories for this project are: Imminent; Within the stage; Within the project; Beyond the project.</p> <p>B The risk of MFH having no outsourcing experience will be categorized as Stage 4 proximity.</p> <p>C Imminent risks are those which may occur within two weeks.</p> <p>D Any risk with a proximity category of imminent will be estimated as having a very high impact.</p> <p>E The risk of staff leaving the organization will be categorized as beyond the project proximity.</p>
6	<p>Which <b>2</b> statements should be recorded under the <b>Risk tolerance</b> heading?</p> <p>A Corporate management's threshold level of risk exposure is any combination of high and very high impact and probability.</p> <p>B The Project Board's threshold level of risk exposure is any combination of medium, high and very high impact, with high and very high probability.</p> <p>C The Project Manager's threshold level of risk exposure is low impact and probability.</p> <p>D The cost of all fallback plans must be contained within the project's tolerance.</p> <p>E The risk budget will have a tolerance of +/- 10%.</p>

Syllabus Area	Question Number	Part	Marks
Risk Theme	6	B	6

**None of the Ministry of Food Hygiene's (MFH) employees on the project management team has any experience in outsourcing, which could lead to difficulties in understanding what is required from an outsourcing project and in dealing competently with the potential service providers. The result could be a contract which does not solve the business problems, or deliver any of the expected savings of £2m per annum.**

Column 1 contains a number of possible risk responses to the above risk. For each risk response, select from Column 2 the appropriate risk threat response type that it represents. Each selection from Column 2 can be used once, more than once or not at all.

	Column 1	Column 2
1	Contract an outsourcing specialist to take an assurance role in the project, and provide advice to the Project Board and Project Manager.	A Avoid
2	Include a clause in the contract with the selected service provider stating that, if the expected savings are not achieved, the selected service provider will reduce their fees accordingly.	B Reduce
3	Hire experienced outsourcing contractors to assist in-house staff throughout the project.	C Fallback
4	Rely on the selected service provider to act in a reliable and conscientious manner to provide the support and advice that will protect MFH's interests.	D Transfer
5	Request assistance from central government if difficulties arise in understanding what is happening.	E Accept
6	Identify MFH employees with knowledge or experience in outsourcing and include them in the project team.	F Share

Question Number 7

Syllabus Area Change Theme

Syllabus Area	Question Number	Part	Marks
Change Theme	7	A	2

**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 Outsourcing project since this must comply with the MFH document control process.**

Using the information above, answer the following 2 questions.

1	<p>According to PRINCE2, which statement about the Configuration Management Strategy for the Outsourcing project is correct?</p> <p>A Every project needs a Configuration Management Strategy, even if the organization has existing configuration management standards, because every project has different circumstances.</p> <p>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.</p> <p>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.</p>
2	<p>According to PRINCE2, which statement about appointing the MFH Quality Manager to administer the configuration management procedure is correct?</p> <p>A The MFH Quality Manager should administer the configuration management procedure on this project because this task should always be assigned to corporate or programme management.</p> <p>B The MFH Quality Manager should only administer the configuration management procedure on one project at a time. If the MFH Quality Manager already performs this task on another project, another individual should be appointed.</p> <p>C The MFH Quality Manager would be suitable to perform this task because he is the author of the document control process and is likely to have the knowledge required for this role.</p>

Syllabus Area	Question Number	Part	Marks
Change Theme	7	B	4

**Using the additional information provided for this question in the *Scenario Booklet*, answer the following 4 questions about the Project Manager's response to the potential removal of the services provided by the Facilities Division from the scope of the Outsourcing project.**

1	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. What 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.
2	What products will be impacted by this change?
A	All of the project's products created so far.
B	Only those products created in the first three weeks of stage 3.
C	All of the project's products which relate to or include services provided by the Facilities Division.
D	No products would need to be changed but some will need to be removed from the project.
3	What additional risk will this place on the project?
A	None because risks associated with the centralization and rationalization of the Facilities Division will be managed by another project.
B	These changes will delay stage 3 by three weeks.
C	There is only £70k left in the project change budget.
D	The reduced value of the contracted services required by the Outsourcing project may result in an insufficient number of proposals being received.
4	What will be the impact on the benefits?
A	Reduced savings, now £10m over 10 years.
B	Increased savings of £5m over 10 years from the new initiative to centralize the services provided by the Facilities Division.
C	An additional cost of £1.5m to deliver the services provided by the Facilities Division.
D	Outsourcing project cost reduced by 50%.

Syllabus Area	Question Number	Part	Marks
Change Theme	7	C	6

Using the additional information provided for this question in the *Scenario Booklet*, answer the following question.

The Project Manager has now completed the Issue Report and the situation must now be managed under formal change control.

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.

Option	Assertion	Reason	
A	True	True	AND the reason explains the assertion
B	True	True	BUT the reason does not explain the assertion
C	True	False	
D	False	True	
E	False	False	

	Assertion		Reason
1	The de-scoping of the services provided by the Facilities Division from the Outsourcing project should be treated as a request for change.	BECAUSE	Any proposal for change to a project's baseline should be treated as a request for change.
2	The Project Manager should now consider alternative options for centralizing and rationalizing the Facilities Division.	BECAUSE	Once formally recorded, a minor change could be handled by the Project Manager.
3	This situation should be referred to corporate or programme management.	BECAUSE	Any forecast deviation beyond agreed tolerance levels should be escalated to the next higher authority.
4	The Stage Plan for stage 3 should be re-issued to the Project Board with all of the products associated with the outsourcing of the Facilities Division removed.	BECAUSE	The original version of the Stage Plan for stage 3 should be retained for audit purposes.
5	An Exception Plan should be presented to the Project Board for them to consider the consequences of the issue and the options available to deal with it.	BECAUSE	Only the Project Board can approve deviations beyond project tolerance levels.
6	This change should be funded from the remaining £70k change budget and the balance of £30k taken from the stage cost tolerance.	BECAUSE	A change budget can be used to implement a request for change, provided its use is within the constraints set by the Project Board.

Question Number 8

Syllabus Area Progress Theme

Syllabus Area	Question Number	Part	Marks
Progress Theme	8	A	2

Column 1 is a list of **true statements** about the Outsourcing project. For each statement in Column 1, select from Column 2 the tolerance area it represents. Each selection from Column 2 can be used once, more than once or not at all.

	Column 1	Column 2
1	Six prospective service providers are to be invited to tender for the contracted services and a minimum of four tenders are required.	A Time B Cost C Scope D Risk
2	The sale of equipment is expected to provide a profit of £200k +/- 10%.	E Quality F Benefits

Syllabus Area	Question Number	Part	Marks
Progress Theme	8	B	4

**Using the Draft Work Package provided as additional information for this question in the *Scenario Booklet*, answer the following 4 questions.**

Remember to limit your answers to the number of selections requested in each question.

1	<p>Which <b>2</b> statements apply to either the <b>Development interfaces</b> or <b>Operations and maintenance interfaces</b> sections?</p> <p>A Delete entry 2 because this interface will be contained in the Communication Management Strategy.</p> <p>B Delete entry 3 because this interface will be contained in the project control section of the Project Initiation Documentation.</p> <p>C Amend entry 4 to 'The transferred products relating to the services provided by the Facilities Division'.</p> <p>D Add 'Project Board, with responsibility for communicating progress to corporate management' to <b>Operations and maintenance interfaces</b>.</p> <p>E Add 'Facilities Team Manager, with responsibility for the transfer of services provided by the Facilities Division' to <b>Development interfaces</b>.</p>
2	<p>Which <b>2</b> statements apply to either the <b>Techniques, processes and procedures</b> or <b>Constraints</b> sections?</p> <p>A Delete entry 1 because this section should contain the techniques, processes and procedures required for specialist product development.</p> <p>B Add 'There must be minimum disruption to current services' to <b>Constraints</b>.</p> <p>C Move entry 5 to <b>Techniques, processes and procedures</b> because this is a technique which staff should be aware of.</p> <p>D Delete entry 6 because this applies to Office Moves Limited and is therefore outside the Work Package.</p> <p>E Delete entry 7 because this should be contained in the <b>Quality skills required</b> section of the Product Description.</p>
3	<p>Which <b>2</b> statements apply to either the <b>Reporting arrangements</b> or <b>Problem handling and escalation</b> sections?</p> <p>A Replace entry 8 with 'Checkpoint Report every Monday by 10.00 am' because Highlight Reports are intended for the Project Board.</p> <p>B Delete entry 9 because this level of detail is unnecessary.</p> <p>C Move entry 10 to <b>Problem handling and escalation</b> because that section describes how issues are handled.</p> <p>D Add 'Any risks identified to be added to the Risk Register' to <b>Reporting arrangements</b>.</p> <p>E Delete entry 11 because the impact analysis should be provided when the issue is notified.</p>

Question continues on next page

Question continued

4	Which <b>2</b> statements apply to either the <b>Extracts or references</b> or <b>Approval method</b> sections?
A	Delete entry 12 because this should be the Team Plan not the Stage Plan.
B	A suitable entry for <b>Extracts or references</b> would be 'Product Descriptions are available from Project Support'.
C	Move entry 13 to <b>Reporting arrangements</b> because this describes how completion will be advised to the Project Manager.
D	Delete entry 13 because this is NOT a Project Assurance responsibility.
E	Add 'The Project Manager is to be advised of completion of the Work Package by email'.

Syllabus Area	Question Number	Part	Marks
Progress Theme	8	C	6

**At the end of stage 3, the service provider will be selected and the contract awarded. During stage 4, the Account Manager for the selected service provider will work with the Project Manager to complete the transition of the services to the selected service provider.**

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.

Option	Assertion	Reason
A	True	True AND the reason explains the assertion
B	True	True BUT the reason does not explain the assertion
C	True	False
D	False	True
E	False	False

	Assertion		Reason
1	The <b>Project controls</b> section of the Project Initiation Documentation should be updated as soon as the service provider has been selected during stage 3.	BECAUSE	The Project Initiation Documentation contains a summary of the project level controls for monitoring and reporting.
2	Time-driven controls should be used to monitor the service provider's progress during stage 4.	BECAUSE	The Project Manager requires regular progress reports from a Team Manager in order to monitor the progress of a Work Package.
3	Once the service provider is selected, the Product Description for the selected service provider should be updated.	BECAUSE	The composition field of a Product Description should be used to record any change in the status of a product.
4	Checkpoint Reports should provide updates on the progress of the transfer of equipment and staff.	BECAUSE	A Work Package defines the reporting arrangements and approval method between a supplier and the Project Board.
5	The selected service provider, acting as a Team Manager in stage 4, should provide an Exception Report for the Project Manager if their Work Package is forecast to exceed its tolerance.	BECAUSE	The Team Manager is responsible for informing the Project Manager if any of the agreed tolerances for a Work Package are forecast to be exceeded.
6	Benefit tolerance should be set in the next Stage Plan for Project Assurance to monitor.	BECAUSE	Project Assurance is responsible for monitoring the Business Case against project progress.

Question Number 9

Syllabus Area Controlling a Stage + Managing Product Delivery Processes

Syllabus Area	Question Number	Part	Marks
Controlling a Stage + Managing Product Delivery Processes	9	A	3

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.

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

Syllabus Area	Question Number	Part	Marks
Controlling a Stage + Managing Product Delivery Processes	9	B	4

Column 1 is a list of entries from the Daily Log that occurred during stage 4 in the Controlling a Stage process. For each entry in Column 1, select the **first** management product from Column 2 that should have been updated, or created, as a result of the entry. Each selection from Column 2 can be used once, more than once or not at all.

	Column 1	Column 2
1	The Executive has asked for a minor change to the baselined detailed design document. This change will not affect any other products.	A Risk Register B Work Package
2	Staff communication was very useful in getting support from MFH staff who will be using the outsourced services.	C Team Plan D Issue Register
3	The Facilities Team Manager requires formal instructions to begin the planned work to transfer the Facilities equipment and staff to the selected service provider.	E Stage Plan for stage 4
4	The selected service provider highlighted that there are likely to be delays with Government departments getting work signed-off after completion.	F Lessons Log G Project Plan

Syllabus Area	Question Number	Part	Marks
Controlling a Stage + Managing Product Delivery Processes	9	C	5

**Stage 4 has started and the Information Technology Team Manager is responsible for the Work Package to deliver the transfer of Information Technology equipment and staff to the service provider.**

Answer the following 5 questions about the actions the Information Technology Team Manager should take during the Managing Product Delivery process to deal with the events and situations described.

Remember to limit your answers to the number of selections requested in each question.

1	<p>While producing the Team Plan to deliver the agreed Work Package, it became apparent that the user representatives assigned to check some of the products were unsuitable.</p> <p>Which <b>2</b> actions should the Team Manager take in response to this situation?</p>
	<p>A Consult the Senior Supplier to assign suitable reviewers.</p> <p>B Discuss the situation with Project Assurance and agree the changes or additions to the reviewers.</p> <p>C Advise the Project Manager of this risk.</p> <p>D Ensure the Quality Register is updated with details of the agreed amendments to the reviewers.</p> <p>E Notify the Project Manager by raising an Exception Report explaining that the original reviewers are unsuitable.</p>
2	<p>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.</p> <p>Which <b>2</b> actions should the Team Manager take in response to this situation?</p>
	<p>A Ask the reviewers to work overtime to prevent the delay.</p> <p>B Ensure that the situation is included in the next Highlight Report.</p> <p>C Raise an issue explaining that tolerances are forecast to be exceeded.</p> <p>D Advise the Project Manager of the risk that there may be a two-week delay in the delivery of one of the products.</p> <p>E Ensure that the Quality Register is updated with the quality review result.</p>

Question continues on next page

3	<p>Two weeks after starting work the Team Manager noticed that each completed product had exceeded its estimated effort by around 10%. If this trend continues the Work Package will exceed its agreed cost tolerance of 5%.</p> <p>Which <b>2</b> actions should the Team Manager take in response to this situation?</p> <p>A Check the status of the products currently being worked on and analyze the effort expended, to determine if the trend is continuing.</p> <p>B Update the Team Plan by increasing all future work estimates by 10%.</p> <p>C Amend the Work Package and ensure that the revised targets are met.</p> <p>D Escalate the situation in the next Checkpoint Report.</p> <p>E Raise an issue that costs will exceed tolerance if the current trend continues.</p>
4	<p>Which <b>2</b> actions should the Team Manager take to check that the completed products have been approved as required?</p> <p>A Check the Work Package to ascertain who should approve the completed Work Package.</p> <p>B Check the Product Descriptions to ascertain who should have approved the products.</p> <p>C Check the Configuration Management Strategy for product handover procedures.</p> <p>D Check the approval records as required in the Work Package.</p> <p>E Check the Product Descriptions for the quality method required.</p>
5	<p>The Work Package has been in progress for four weeks and has four weeks remaining. The Information Technology Team Manager is concerned that he has no idea what the service provider is doing about preparing to accept the transfer of Information Technology equipment and staff. He is uncertain about what should be happening.</p> <p>Which <b>2</b> initial actions should the Team Manager take in response to this concern?</p> <p>A Notify the Project Manager by raising an Exception Report.</p> <p>B Raise this concern in the next fortnightly Checkpoint Report.</p> <p>C Check the Communication Management Strategy to ascertain what records of communications with the service provider are required.</p> <p>D Check the Information Technology Work Package for development interfaces to see whether the service provider Team Manager should have been liaising with the Information Technology team during development.</p> <p>E Raise an issue to notify the Project Manager of this concern.</p>