

Self-Assessment Questions for Module 12 Project Procurement Management

Question 1: Which of the following usually do not get updated in the Organizational Process Assets during the Control Procurements process?

- A.) Correspondence
- B.) Payment schedules
- C.) The Project Management Plan
- D.) Performance evaluations

Question 2: Which of the following processes is not applicable to a project team if the project customer is a department within the same organization of the project team and all the project work can be accomplished in-house?

- A.) Procurement Management
- B.) Scope Management
- C.) Time Management
- D.) Risk Management

Question 3: If there is a dispute regarding a claim between two parties, who has the first responsibility to resolve this claim?

- A.) Both parties
- B.) The project manager
- C.) Alternative Dispute Resolution (ADR)
- D.) The legal system of the country

Question 4: Every project manager is responsible for maintaining procurement files for each of the project procurements. Later these procurement files are transferred to the Organizational Process Assets for future reference. During which Procurement Management process does a procurement file get transferred to the Organizational Process Assets?

- A.) Monitor & Control Project Work
- B.) Close Project or Phase
- C.) Control Procurements
- D.) Close Procurements

Question 5: The Close Procurements process is performed for each of the project procurements. When is this process performed?

- A.) During the execution of the project.
- B.) During the monitoring & controlling of the project.
- C.) During the closing of the project.
- D.) During any stage of the project.

Question 6: Monica is managing a software system implementation project. The technical work has been outsourced to a technology provider. Monica wants to change the contracted Scope of Work. Where can she find documentation on the process that needs to be followed in order to modify the contracted Scope of Work?

- A.) Contract Change Control System
- B.) Project Management Plan
- C.) Organizational Process Assets
- D.) Enterprise Environmental Factors

Question 7: Andrew has just taken over a construction project as the project manager. Most of the project work is outsourced to different contractors. Andrew finds out that most of the contracts contain payment systems that are not totally aligned with the local government's legal requirements. However, these contracts are in effect and were mutually agreed upon by both parties at the time of the contract award. In addition, the documented payment clauses are favorable to Andrew's company. What should Andrew do in this scenario?

- A.) He should report this to the police immediately.
- B.) He should do nothing because the current clauses favor his company.
- C.) He should renegotiate new payment terms in accordance with the local legal requirements.
- D.) He should do nothing because the contracts are already in effect.

Question 8: Who is responsible for the negotiations of the procurement contract clauses in any organization?

- A.) This varies from organization to organization
- B.) The Project Manager
- C.) The Project Team
- D.) The Project Sponsor

Question 9: During which of the following project Procurement Management processes does a procurement contract actually get awarded to the selected vendor?

- A.) Plan Procurement Management
- B.) Conduct Procurements
- C.) Control Procurements
- D.) Close Procurements

Question 10: A leading telecom network operator has signed a procurement contract with an international telecom equipment vendor company to extend their network infrastructure nationally by 50%. Network planning, civil works and equipment installation are all included as a part of the procurement contract. From the equipment vendor's point of view, which of the following needs to be applied efficiently to effectively manage this procurement contract?

- A.) Procurement Management
- B.) Project Management
- C.) Program Management
- D.) Portfolio Management

Question 11: Nancy is managing a construction project. She wants to outsource some of the project scope of work. Which of the following is the most important activity that must be performed before making such a decision?

- A.) Using Expert Judgment
- B.) Researching Contract Types
- C.) Reviewing Enterprise Environmental Factors
- D.) Conducting a Make-or-Buy Analysis

Question 12: An airport wants to replace its information systems. There are a lot of software providers in the market and the airport management doesn't have a clear idea regarding their exact requirements or the costs involved. They decide to hire a consultant to determine their requirements and develop an expected cost estimate. This estimate will then be used to identify the most suitable provider. The consultant's work is an example of?

- A.) Source Selection Criteria
- B.) Teaming Agreement
- C.) Independent Estimate
- D.) Expert Judgment

Question 13: Which of the following is not an acceptable approach for termination of a procurement contract?

- A.) Termination by the buyer after the delivery of the contracted work.
- B.) Termination by bypassing the terminations clause of the contract.
- C.) Termination by either party anytime for any cause or convenience.
- D.) Termination by a party due to the default of the other party.

Question 14: Which of the following contract types provides the maximum protection to the buyer from the risks of uncontrolled cost variances?

- A.) Cost Plus Fixed Fee
- B.) Cost Plus Incentive Fee
- C.) Firm Fixed Price
- D.) Fixed Price with Economic Price Adjustment

Question 15: A garment factory wants to construct a secondary production facility to boost its operations. This project needs to be outsourced because this is not a core competency of the organization. None of the employees is experienced and skilled enough to draft an accurate scope of work. As a result, a number of inaccurate proposals have been received from different contractor companies. Which of the following techniques should be used now to ensure that all of the contractors have a clear and common understanding of the required work?

- A.) Proposal Evaluation Techniques
- B.) Bidders Conference
- C.) Independent Estimates
- D.) Expert Judgment

Answer Sheet for Self-Assessment 12

Question Number	My Answer	Correct	Incorrect
Question 01		<input type="checkbox"/>	<input type="checkbox"/>
Question 02		<input type="checkbox"/>	<input type="checkbox"/>
Question 03		<input type="checkbox"/>	<input type="checkbox"/>
Question 04		<input type="checkbox"/>	<input type="checkbox"/>
Question 05		<input type="checkbox"/>	<input type="checkbox"/>
Question 06		<input type="checkbox"/>	<input type="checkbox"/>
Question 07		<input type="checkbox"/>	<input type="checkbox"/>
Question 08		<input type="checkbox"/>	<input type="checkbox"/>
Question 09		<input type="checkbox"/>	<input type="checkbox"/>
Question 10		<input type="checkbox"/>	<input type="checkbox"/>
Question 11		<input type="checkbox"/>	<input type="checkbox"/>
Question 12		<input type="checkbox"/>	<input type="checkbox"/>
Question 13		<input type="checkbox"/>	<input type="checkbox"/>
Question 14		<input type="checkbox"/>	<input type="checkbox"/>
Question 15		<input type="checkbox"/>	<input type="checkbox"/>
Total Number			
% Correct		_____ %	

To calculate the % correct, divide the "total correct" by 0.15. Example: If you have 13 correct then calculate $13 / 0.15 = 86.6\%$

Answers for Self-Assessment 12

Question Number	Correct Answer
Question 01	C
Question 02	A
Question 03	A
Question 04	D
Question 05	D
Question 06	A
Question 07	C
Question 08	A
Question 09	B
Question 10	B
Question 11	D
Question 12	C
Question 13	B
Question 14	C
Question 15	B

Answers & Explanations for Self-Assessment 12

Question 1: Which of the following usually do not get updated in the Organizational Process Assets during the Control Procurements process?

- A.) Correspondence
- B.) Payment schedules
- C.) The Project Management Plan
- D.) Performance evaluations

Correct answer is **C**

Explanation: All of the given choices are updated in the Organizational Process Assets during some stage of the project. However, the Project Management Plan does not get updated in the Organizational Process Assets during the Control Procurements process.

Reference: PMBOK Guide 5th Edition, page 386

Question 2: Which of the following processes is not applicable to a project team if the project customer is a department within the same organization of the project team and all the project work can be accomplished in-house?

- A.) Procurement Management
- B.) Scope Management
- C.) Time Management
- D.) Risk Management

Correct answer is **A**

Explanation: All the work can be accomplished in-house and no supplier/vendor needs to be engaged. The processes from the Project Procurement Management are not applicable in this situation.

Reference: PMBOK Guide 5th Edition, page 355

Question 3: If there is a dispute regarding a claim between two parties, who has the first responsibility to resolve this claim?

- A.) Both parties
- B.) The project manager
- C.) Alternative Dispute Resolution (ADR)
- D.) The legal system of the country

Correct answer is **A**

Explanation: Attempts to resolve conflicts internally should always be attempted first. Both parties are responsible for engaging in negotiations in

order to resolve the claim themselves before adopting ADR methods or referring to the legal system of the country.

Reference: PMBOK Guide 5th Edition, page 384

Question 4: Every project manager is responsible for maintaining procurement files for each of the project procurements. Later these procurement files are transferred to the Organizational Process Assets for future reference. During which Procurement Management process does a procurement file get transferred to the Organizational Process Assets?

- A.) Monitor & Control Project Work
- B.) Close Project or Phase
- C.) Control Procurements
- D.) Close Procurements

Correct answer is **D**

Explanation: Each procurement file should be updated whenever a procurement is completed or a contract is terminated. This should be performed during the Close Procurements process.

Reference: PMBOK Guide 5th Edition, page 389

Question 5: The Close Procurements process is performed for each of the project procurements. When is this process performed?

- A.) During the execution of the project.
- B.) During the monitoring & controlling of the project.
- C.) During the closing of the project.
- D.) During any stage of the project.

Correct answer is **D**

Explanation: Every procurement must be closed as soon as the required scope of work has been completed by the contractor. This can happen during any stage of the project. The procurement closure must not be delayed until the project closure.

Reference: PMBOK Guide 5th Edition, page 386

Question 6: Monica is managing a software system implementation project. The technical work has been outsourced to a technology provider. Monica wants to change the contracted Scope of Work. Where can she find documentation on the process that needs to be followed in order to modify the contracted Scope of Work?

- A.) Contract Change Control System
- B.) Project Management Plan
- C.) Organizational Process Assets

D.) Enterprise Environmental Factors

Correct answer is **A**

Explanation: The Organizational Process Assets often do contain documentation on generic organizational change control systems. However, the specific details regarding contract changes are documented in every Contract Change Control System.

Reference: PMBOK Guide 5th Edition, page 383

Question 7: Andrew has just taken over a construction project as the project manager. Most of the project work is outsourced to different contractors. Andrew finds out that most of the contracts contain payment systems that are not totally aligned with the local government's legal requirements. However, these contracts are in effect and were mutually agreed upon by both parties at the time of the contract award. In addition, the documented payment clauses are favorable to Andrew's company. What should Andrew do in this scenario?

- A.) He should report this to the police immediately.
- B.) He should do nothing because the current clauses favor his company.
- C.) He should renegotiate new payment terms in accordance with the local legal requirements.
- D.) He should do nothing because the contracts are already in effect.

Correct answer is **C**

Explanation: If you think about the 'right' thing to do in this scenario, it is Andrew's responsibility to abide by the local laws that govern his work. He should renegotiate new payment terms in accordance with the local law.

Reference: PMI Code of Ethics and Professional Conduct, Responsibility

Question 8: Who is responsible for the negotiations of the procurement contract clauses in any organization?

- A.) This varies from organization to organization
- B.) The Project Manager
- C.) The Project Team
- D.) The Project Sponsor

Correct answer is **A**

Explanation: The responsibility for project Procurement Management varies from organization to organization. The project manager and the project team may not be the lead negotiators on every project. Some organizations have dedicated Legal and Procurement departments that perform these activities.

Reference: PMBOK Guide 5th Edition, page 377

Question 9: During which of the following project Procurement Management processes does a procurement contract actually get awarded to the selected vendor?

- A.) Plan Procurement Management
- B.) Conduct Procurements
- C.) Control Procurements
- D.) Close Procurements

Correct answer is **B**

Explanation: The Conduct Procurements process involves identifying the right vendor and awarding the contract.

Reference: PMBOK Guide 5th Edition, page 371

Question 10: A leading telecom network operator has signed a procurement contract with an international telecom equipment vendor company to extend their network infrastructure nationally by 50%. Network planning, civil works and equipment installation are all included as a part of the procurement contract. From the equipment vendor's point of view, which of the following needs to be applied efficiently to effectively manage this procurement contract?

- A.) Procurement Management
- B.) Project Management
- C.) Program Management
- D.) Portfolio Management

Correct answer is **B**

Explanation: This question is asking about the approach of the vendor towards an awarded contract. For the vendor, the awarded work needs to be treated as a project. However, for the buyer, the contract needs to be managed as a procurement.

Reference: PMBOK Guide 5th Edition, page 358

Question 11: Nancy is managing a construction project. She wants to outsource some of the project scope of work. Which of the following is the most important activity that must be performed before making such a decision?

- A.) Using Expert Judgment
- B.) Researching Contract Types
- C.) Reviewing Enterprise Environmental Factors
- D.) Conducting a Make-or-Buy Analysis

Correct answer is **D**

Explanation: Make-or-Buy Analysis is a technique that is used to determine whether particular work can be best accomplished in house or must be outsourced. This must be performed prior to making any outsourcing decisions.

Reference: PMBOK Guide 5th Edition, page 365

Question 12: An airport wants to replace its information systems. There are a lot of software providers in the market and the airport management doesn't have a clear idea regarding their exact requirements or the costs involved. They decide to hire a consultant to determine their requirements and develop an expected cost estimate. This estimate will then be used to identify the most suitable provider. The consultant's work is an example of?

- A.) Source Selection Criteria
- B.) Teaming Agreement
- C.) Independent Estimate
- D.) Expert Judgment

Correct answer is **C**

Explanation: Expert Judgment and Independent Estimate are two choices that can be interpreted as a correct answer. However, Independent Estimate is the better choice because the consultant's work in this scenario is a clear example of this technique. Expert Judgment has a broader context because it covers items other than simply Independent Estimate development to select the most appropriate vendor.

Reference: PMBOK Guide 5th Edition, page 376

Question 13: Which of the following is not an acceptable approach for termination of a procurement contract?

- A.) Termination by the buyer after the delivery of the contracted work.
- B.) Termination by bypassing the terminations clause of the contract.
- C.) Termination by either party anytime for any cause or convenience.
- D.) Termination by a party due to the default of the other party.

Correct answer is **B**

Explanation: Any reason or approach for termination of a contract is legal and acceptable if it is in accordance with the agreed terminations clause of the contract. Bypassing the terminations clause is not only an unacceptable approach for terminating a contract, it is also illegal.

Reference: PMBOK Guide 5th Edition, page 387

Question 14: Which of the following contract types provides the maximum protection to the buyer from the risks of uncontrolled cost variances?

- A.) Cost Plus Fixed Fee
- B.) Cost Plus Incentive Fee
- C.) Firm Fixed Price
- D.) Fixed Price with Economic Price Adjustment

Correct answer is **C**

Explanation: The Firm Fixed Price contract type protects the buying organization from the risks of cost variations because the price for products and services is set at the outset and doesn't change unless the scope of work changes.

Reference: PMBOK Guide 5th Edition, page 363

Question 15: A garment factory wants to construct a secondary production facility to boost its operations. This project needs to be outsourced because this is not a core competency of the organization. None of the employees is experienced and skilled enough to draft an accurate scope of work. As a result, a number of inaccurate proposals have been received from different contractor companies. Which of the following techniques should be used now to ensure that all of the contractors have a clear and common understanding of the required work?

- A.) Proposal Evaluation Techniques
- B.) Bidders Conference
- C.) Independent Estimates
- D.) Expert Judgment

Correct answer is **B**

Explanation: Bidder Conferences are meetings prior to the award of a bid. These are used to ensure that all the interested contractors have a clear and common understanding of the work being outsourced.

Reference: PMBOK Guide 5th Edition, page 375

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