

Prince2 Foundation Practice Exam - Set 3

120 Questions with Detailed Solutions

Instructions

- Each question has 4 multiple choice options (A, B, C, D)
 - Select the BEST answer for each question
 - Solutions and explanations are provided at the end
 - Time allocation: 120 minutes (1 minute per question)
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QUESTIONS

Question 1: A project manager discovers that a key supplier has gone out of business. This is an example of which type of risk that has materialized? A) Business risk B) Project risk C) External risk D) Technical risk

Question 2: In the context of Prince2's 'Learn from Experience' principle, when should lessons be reviewed? A) Only at project closure B) Only at the start of each stage C) Throughout the project lifecycle D) Only when problems occur

Question 3: Which document would contain the project's approach to configuration management? A) Project Initiation Documentation B) Configuration Management Strategy C) Quality Management Strategy D) Project Plan

Question 4: A team manager reports that they will complete their work package 2 days late but within budget. What should the project manager do first? A) Create an exception report B) Check if this exceeds stage tolerance C) Inform the project board immediately D) Update the stage plan

Question 5: According to Prince2, what is the primary difference between an issue and a change request? A) Issues are more urgent than change requests B) Change requests always cost money, issues don't C) An issue is a problem requiring a decision, a change request proposes a modification D) There is no difference

Question 6: Which process is responsible for ensuring that all products have been accepted before project closure? A) Managing Product Delivery B) Controlling a Stage C) Closing a Project D) Managing a Stage Boundary

Question 7: In Prince2, what is the main purpose of using a product checklist? A) To ensure all products are delivered on time B) To track which products have been completed and approved C) To estimate product development effort D) To assign product responsibilities

Question 8: A project executive wants to ensure independent oversight of the project manager's performance. This is achieved through: A) Daily progress reports B) Project assurance C) Exception reporting D) Stage gate reviews

Question 9: Which of the following would be considered a dis-benefit in a Business Case? A) Reduced operational costs B) Staff training costs during implementation C) Increased customer satisfaction D) Improved system performance

Question 10: What triggers the creation of a new Version of the Project Initiation Documentation? A) Start of each new stage B) Significant changes to the project baseline C) Monthly review cycle D) Request from project board

Question 11: In Prince2, what is the recommended maximum number of people on a Project Board? A) 5 B) 7 C) 9 D) There is no maximum

Question 12: A project manager needs to communicate a change in project scope to all stakeholders. Which document should guide how this communication is handled? A) Project Brief B) Communication Management Strategy C) Stakeholder Register D) Project Initiation Documentation

Question 13: Which Prince2 theme addresses the question "What is the project aiming to achieve?" A) Business Case B) Plans C) Progress D) Quality

Question 14: In a complex project with multiple suppliers, who should typically chair the Project Board? A) Senior Supplier B) Senior User C) Project Executive D) Project Manager

Question 15: What is the main purpose of a Configuration Item Record? A) To track product costs B) To maintain information about each product C) To schedule product delivery D) To assign product ownership

Question 16: Which of the following best describes the 'management by exception' approach in Prince2? A) Only unusual events are managed B) Authority is delegated within defined tolerance levels C) Exceptions are made to standard procedures D) Management only intervenes when asked

Question 17: A project is running behind schedule but within budget tolerance. The project manager should: A) Continue as planned if still within stage tolerance B) Immediately escalate to the project board C) Create an exception plan D) Reduce project scope

Question 18: In Prince2, what is the relationship between acceptance criteria and quality criteria? A) They are the same thing B) Acceptance criteria are broader and include quality criteria C) Quality criteria are more detailed than acceptance criteria D) They are unrelated concepts

Question 19: Which process includes the activity "Review and update project controls"? A) Initiating a Project B) Managing a Stage Boundary C) Controlling a Stage D) Directing a Project

Question 20: What should happen to unfinished work when a project is closed prematurely? A) It should be completed by the project team B) It should be documented in follow-on action recommendations C) It should be ignored D) It should be transferred to operations

Question 21: In Prince2, what is meant by 'tailoring the method'? A) Removing unwanted processes B) Adapting Prince2 to fit the project context C) Creating new Prince2 techniques D) Simplifying all documentation

Question 22: Which role has the ultimate responsibility for project success? A) Project Manager B) Senior User C) Project Executive D) Project Board collectively

Question 23: A project manager wants to delegate authority for approving small design changes. This would typically be done through: A) The Change Authority B) The Project Board C) The Senior Supplier D) Team Managers

Question 24: What is the primary purpose of the Benefits Review Plan? A) To track benefits during the project B) To define when and how benefits will be measured after the project C) To justify the project's existence D) To calculate return on investment

Question 25: In which document would you expect to find the project's approach to risk management? A) Risk Register B) Risk Management Strategy C) Project Plan D) Business Case

Question 26: A project board member cannot attend board meetings regularly. What should they do? A) Send a representative to all meetings B) Appoint someone to provide project assurance on their behalf C) Resign from the project board D) Attend meetings remotely when possible

Question 27: Which Prince2 principle requires projects to have defined and agreed roles and responsibilities within an organization structure? A) Manage by Stages B) Defined Roles and Responsibilities C) Focus on Products D) Manage by Exception

Question 28: What is the main difference between a Highlight Report and a Checkpoint Report? A) Frequency of reporting B) Level of detail provided C) Highlight Reports go to Project Board, Checkpoint Reports to Project Manager D) Content focus areas

Question 29: In Prince2, when should risk identification activities occur? A) Only during project initiation B) At the start of each stage C) Throughout the project lifecycle D) Only when problems arise

Question 30: Which of the following is NOT a recommended basis for defining management stages? A) Available resources B) Decision points C) Technical phases D) Risk levels

Question 31: A project manager receives a request for information about project progress from a government regulator. How should they respond? A) Provide the information immediately B) Refer to the Communication Management Strategy C) Ask the Project Executive for guidance D) Ignore the request

Question 32: What is the primary purpose of the Organization theme in Prince2? A) To define the company's organizational structure B) To define project roles, responsibilities and reporting structure C) To organize project activities efficiently D) To structure project documentation

Question 33: In Prince2, what should drive the creation of management products? A) Prince2 templates B) Organizational standards C) Information needs of stakeholders D) Project manager preferences

Question 34: Which of the following would typically be escalated as an exception? A) A 2-day delay in a 6-month stage B) A team member taking sick leave C) A forecast 15% budget overrun when tolerance is 10% D) A minor change in product specifications

Question 35: What is the main purpose of product-based planning in Prince2? A) To create detailed project schedules B) To identify and define all products that must be created C) To assign resources to products D) To estimate product costs

Question 36: In the context of Prince2, what does 'corporate or programme management' refer to? A) The organization's senior management B) The layer of management above the Project Board C) The project management office D) External oversight bodies

Question 37: A project manager wants to understand what quality activities are planned for the next month. Which document should they consult? A) Quality Register B) Quality Management Strategy C) Product Descriptions D) Stage Plan

Question 38: Which of the following best describes a 'change budget' in Prince2? A) The total project budget B) Money allocated for managing change requests C) Budget reserves for approved changes D) Cost of change control procedures

Question 39: What should happen if a project board member consistently fails to participate in project decisions? A) Continue without their input B) Replace them with someone who can fulfill the role C) Reduce the frequency of board meetings D) Delegate their authority permanently

Question 40: In Prince2, what is the purpose of the End Project Report? A) To provide a detailed project performance analysis B) To request project closure authorization C) To document lessons learned D) To hand over products to operations

Question 41: Which process contains the activity "Authorize a Stage or Exception Plan"? A) Managing a Stage Boundary B) Controlling a Stage C) Directing a Project D) Initiating a Project

Question 42: A project manager discovers that a work package will exceed its quality tolerance. What should they do? A) Accept the lower quality to meet deadlines B) Treat it as an exception and escalate C) Work with the team manager to resolve the issue D) Update the product description

Question 43: In Prince2, what is meant by 'embedding' the method? A) Training all staff in Prince2 B) Making Prince2 part of the organizational culture C) Using Prince2 for all projects D) Implementing Prince2 software tools

Question 44: Which of the following is a key characteristic of the Project Executive role? A) Day-to-day project management B) Technical expertise in the project domain C) Ultimate accountability for project success D) Representing user interests

Question 45: What should be the primary consideration when setting project tolerances? A) Available budget B) Stakeholder expectations and risk appetite C) Industry standards D) Historical project data

Question 46: In Prince2, what triggers the Managing Product Delivery process? A) Project authorization B) Stage authorization C) Work Package authorization D) Product approval

Question 47: Which document provides the foundation for creating detailed Stage Plans? A) Project Brief B) Project Plan C) Business Case D) Project Product Description

Question 48: A project team identifies a new risk during stage execution. What is the first thing they should do? A) Implement a response immediately B) Record it in the Risk Register C) Report it to the Project Board D) Assess its probability and impact

Question 49: In Prince2, what is the primary purpose of customer acceptance? A) To measure customer satisfaction B) To formally confirm that products meet requirements C) To transfer ownership of products D) To close the project

Question 50: Which of the following best describes the 'Focus on Products' principle? A) Prioritize the most valuable products B) Deliver products as quickly as possible C) Define and deliver products that meet requirements D) Focus on physical deliverables only

Question 51: A project manager needs to report that stage tolerance will be exceeded. Which document should they create? A) Highlight Report B) Exception Report C) End Stage Report D) Issue Report

Question 52: In Prince2, what is the main purpose of a Product Description? A) To show how products relate to each other B) To define what a product is and its quality requirements C) To estimate product development time D) To assign product responsibilities

Question 53: Which of the following would normally be considered when setting up a Change Authority? A) The number of expected changes B) The complexity of change decisions C) The value and impact of changes they can authorize D) All of the above

Question 54: What should happen to the Risk Register when a project stage is completed? A) It should be archived B) It should be updated and reviewed for the next stage C) It should be recreated for the next stage D) It should be closed

Question 55: In Prince2, what is meant by 'management stage tolerance'? A) How much variation the Project Manager can accept B) How much variation the Project Board can accept in a stage C) The buffer time built into each stage D) The acceptable quality variation for stage products

Question 56: Which process is responsible for authorizing the start of the first delivery stage? A) Starting up a Project B) Initiating a Project C) Directing a Project D) Managing a Stage Boundary

Question 57: A project manager wants to understand the current status of all project risks. Which document should they consult? A) Risk Management Strategy B) Risk Register C) Issue Register D) Exception Report

Question 58: In Prince2, what should drive the frequency of progress reporting? A) Prince2 standards B) Project manager preference C) Stakeholder information needs D) Company policy

Question 59: Which of the following is a valid reason for creating multiple management stages? A) Technical complexity B) Number of suppliers involved C) Risk levels and decision points D) All of the above

Question 60: What is the primary purpose of the Lessons Log? A) To record project problems B) To capture relevant experience for future projects C) To document team performance D) To track

training needs

Question 61: A project board wants to ensure that user requirements are properly represented throughout the project. This is primarily the responsibility of: A) Project Manager B) Senior User C) Project Executive D) Team Manager

Question 62: In Prince2, what should happen if the business case can no longer be justified? A) Continue with reduced scope B) Request additional funding C) Close the project prematurely D) Extend the project timeline

Question 63: Which theme addresses the question "How will progress be monitored and controlled?" A) Plans B) Progress C) Organization D) Change

Question 64: A project manager needs to delegate some activities to a team manager. This is formalized through: A) A Work Package B) A Stage Plan C) A Product Description D) A Communication Plan

Question 65: In Prince2, what is the recommended approach to handling a risk that has a very low probability but potentially catastrophic impact? A) Ignore it due to low probability B) Accept it as part of project risk C) Develop a risk response appropriate to the potential impact D) Transfer it through insurance only

Question 66: Which of the following is NOT a component of effective project controls according to Prince2? A) Tolerances B) Reporting C) Decision making D) Detailed scheduling

Question 67: A project executive needs to ensure that the project remains aligned with business strategy. When should this alignment be reviewed? A) Only at project start B) At each stage boundary C) When business strategy changes D) Both B and C

Question 68: In Prince2, what is meant by 'quality tolerance'? A) Acceptable variation in product quality B) The maximum number of quality issues allowed C) Time allocated for quality activities D) Budget allocated for quality assurance

Question 69: Which process includes the activity "Take corrective action"? A) Managing Product Delivery B) Controlling a Stage C) Managing a Stage Boundary D) Directing a Project

Question 70: A project manager wants to understand what constitutes acceptable quality for a specific product. Where should they look? A) Quality Management Strategy B) Product Description C) Quality Register D) Project Plan

Question 71: In Prince2, what should determine the content and format of management products?

A) Prince2 templates B) Information needs and project context C) Organizational standards D) Project manager experience

Question 72: Which of the following best describes the relationship between stages and the Business Case? A) Each stage must have its own business case B) The business case should be reviewed at each stage boundary C) The business case is only relevant for the initiation stage D) Stages don't affect the business case

Question 73: A project team wants to change the technical approach for developing a product. This change would: A) Always require Project Board approval B) Be handled by Change Authority if within their limits C) Be decided by the Team Manager D) Depend on the impact and value of the change

Question 74: In Prince2, what is the primary purpose of the Daily Log? A) To record formal project decisions B) To track team member activities C) To capture informal notes and observations D) To monitor project costs daily

Question 75: Which of the following would typically be found in a Project Plan but NOT in a Stage Plan? A) Major products to be delivered B) Detailed resource requirements C) High-level project timeline D) Specific quality activities

Question 76: A project manager receives conflicting requirements from different user groups. How should this be resolved? A) Choose the most senior user's requirements B) Escalate to the Senior User for resolution C) Try to satisfy all requirements D) Make the decision based on project constraints

Question 77: In Prince2, what should happen to specialist products at project closure? A) They should be handed over to the customer B) They should be archived C) They should be maintained by the project team D) They should be destroyed

Question 78: Which of the following best describes project assurance in Prince2? A) External audit of the project B) Independent monitoring on behalf of Project Board interests C) Quality control of project products D) Insurance against project failure

Question 79: A project manager wants to understand the project's approach to managing suppliers. Which document should they consult? A) Organization theme guidance B) Communication Management Strategy C) Project Initiation Documentation D) Supplier contracts

Question 80: In Prince2, what is the main benefit of using management stages? A) Faster project delivery B) Lower project costs C) Regular control and decision points D) Better team motivation

Question 81: Which process contains the activity "Prepare premature closure"? A) Controlling a Stage B) Managing a Stage Boundary C) Closing a Project D) Directing a Project

Question 82: A project board wants to ensure that lessons from previous projects are applied. When should this happen? A) During Starting up a Project B) During Initiating a Project C) Throughout the project D) All of the above

Question 83: In Prince2, what should drive the selection of quality methods and techniques? A) Industry best practices B) Project context and requirements C) Team capabilities D) Available budget

Question 84: Which of the following is a key responsibility of the Project Manager? A) Making strategic project decisions B) Providing resources for the project C) Day-to-day management of the project D) Representing user interests

Question 85: A project manager discovers that a key assumption in the business case is no longer valid. What should they do? A) Continue with the project as planned B) Update the business case and seek guidance C) Close the project immediately D) Adjust project scope to accommodate the change

Question 86: In Prince2, what is meant by 'configuration management'? A) Managing project team configuration B) Setting up project management tools C) Managing project product baselines D) Organizing project documentation

Question 87: Which of the following would be a valid trigger for an ad hoc Project Board decision? A) Regular progress report B) Exception situation requiring guidance C) Routine stage boundary D) Scheduled quality review

Question 88: A project manager wants to understand what decisions can be made at team level. Where should they look? A) Work Package B) Team Plan C) Stage Plan D) Delegation matrix

Question 89: In Prince2, what should happen if project tolerance is forecast to be exceeded? A) Create an Exception Plan immediately B) Inform corporate/programme management C) Reduce project scope to stay within tolerance D) Request additional resources

Question 90: Which theme addresses the question "Who makes which decisions?" A) Organization B) Progress C) Plans D) Change

Question 91: A project executive wants to delegate some oversight responsibilities while maintaining accountability. This should be done through: A) Project assurance arrangements B) Changing the project manager's role C) Adding more Project Board members D) Creating additional management stages

Question 92: In Prince2, what is the main purpose of a Checkpoint Report? A) To report stage progress to the Project Board B) To report work package progress to the Project Manager C) To escalate issues and risks D) To request additional resources

Question 93: Which of the following best describes the 'Manage by Stages' principle? A) Projects should be divided into equal-length stages B) Each stage should deliver specific business benefits C) Projects should be planned, monitored and controlled stage by stage D) Technical and management stages should be aligned

Question 94: A project manager needs to understand the quality requirements for all project products. Which technique should they use? A) Quality planning B) Product-based planning C) Risk analysis D) Impact analysis

Question 95: In Prince2, what should determine when a project stage ends? A) Calendar dates B) Available resources C) Achievement of stage objectives D) Team availability

Question 96: Which of the following is NOT a typical trigger for updating the Risk Register? A) New risks identified B) Risk status changes C) Regular scheduled reviews D) Team member changes

Question 97: A project board member wants to ensure that their interests are protected throughout the project. This is achieved through: A) Daily involvement in project activities B) Project assurance activities C) Regular team meetings D) Direct supervision of the project manager

Question 98: In Prince2, what should happen to unresolved issues at project closure? A) They should be resolved before closure B) They should be included in follow-on action recommendations C) They should be transferred to operations D) They should be ignored

Question 99: Which process is responsible for ensuring that Work Packages are authorized within stage tolerances? A) Managing Product Delivery B) Controlling a Stage C) Managing a Stage Boundary D) Directing a Project

Question 100: A project manager wants to understand the project's approach to handling changes. Which document should they consult first? A) Change control procedures B) Configuration Management Strategy C) Project Initiation Documentation D) Change Authority terms of reference

Question 101: In Prince2, what is meant by 'project tolerance'? A) How much variation the project team can accept B) The permissible deviation from project objectives set by corporate management C) The project's attitude toward risk D) The acceptable quality variation for project products

Question 102: Which of the following would typically be escalated to the Project Board for decision? A) Minor specification clarifications B) Resource allocation within tolerance C) Changes exceeding Change Authority limits D) Daily progress issues

Question 103: A project manager wants to ensure that all quality activities are properly planned and tracked. Which document is most important for this? A) Quality Register B) Quality Management Strategy C) Project Plan D) Stage Plan

Question 104: In Prince2, what should drive the decision to create an Exception Plan? A) Schedule delays B) Budget overruns C) Tolerance being exceeded or forecast to be exceeded D) Quality issues

Question 105: Which of the following best describes the role of Team Manager in Prince2? A) Managing a project team B) Managing the delivery of one or more Work Packages C) Assisting the Project Manager D) Representing team interests on the Project Board

Question 106: A project executive wants to ensure that the project delivers the expected business benefits. Who should they look to for this assurance? A) Project Manager B) Senior User C) Senior Supplier D) Team Manager

Question 107: In Prince2, what should happen when a new risk is identified during stage execution? A) It should be escalated immediately B) It should be assessed and recorded in the Risk Register C) A response should be implemented immediately D) It should be ignored if probability is low

Question 108: Which of the following is a key characteristic of a successful Project Board? A) Technical expertise in all project areas B) Daily involvement in project activities C) Authority to commit resources and make decisions D) Detailed knowledge of project management techniques

Question 109: A project manager wants to understand what products must be created in the next stage. Which document provides this information? A) Project Plan B) Stage Plan C) Product Breakdown Structure D) Work Package

Question 110: In Prince2, what is the primary purpose of impact analysis? A) To assess the effect of proposed changes B) To identify project stakeholders C) To analyze project risks D) To evaluate team performance

Question 111: Which process includes the activity "Review Work Package status"? A) Managing Product Delivery B) Controlling a Stage C) Managing a Stage Boundary D) Directing a Project

Question 112: A project board wants to ensure that project management processes are being followed correctly. This is achieved through: A) Daily progress reports B) Exception reporting C) Project assurance activities D) Regular board meetings

Question 113: In Prince2, what should determine the level of detail in project documentation? A) Prince2 templates B) Project size and complexity C) Information needs and project context D) Organizational standards

Question 114: Which of the following would typically be found in an End Stage Report? A) Detailed plans for the next stage B) Performance against the Stage Plan C) Request for project closure D) Updated Business Case

Question 115: A project manager discovers that a critical supplier has increased their prices significantly. This should be treated as: A) A risk that has materialized B) A change request C) An issue requiring a decision D) Normal commercial variation

Question 116: In Prince2, what is the main purpose of the Communication Management Strategy? A) To define project reporting requirements B) To describe all communication needs and approaches C) To establish team communication protocols D) To create stakeholder engagement plans

Question 117: Which of the following best describes when project closure should occur? A) When all planned products are delivered B) When the project budget is exhausted C) When the project can no longer be justified or objectives achieved D) When the planned end date is reached

Question 118: A project manager wants to delegate authority for making minor changes to product specifications. This would typically be done through: A) Work Package tolerances B) Change Authority arrangements C) Team Manager responsibilities D) Stage Plan adjustments

Question 119: In Prince2, what should happen to the Business Case if the expected benefits are reduced? A) The project should continue as planned B) The Business Case should be updated and reviewed C) The project should be closed immediately D) Additional benefits should be identified

Question 120: Which principle emphasizes that project management should be applied proportionally to project risk, complexity, and importance? A) Continued Business Justification B) Learn from Experience C) Tailor to Suit the Project Environment D) Manage by Exception

ANSWERS AND EXPLANATIONS

Answer 1: C - External risk *Explanation: Supplier business failure is an external risk as it originates outside the project's control.*

Answer 2: C - Throughout the project lifecycle *Explanation: The Learn from Experience principle requires continuous learning and application of lessons.*

Answer 3: B - Configuration Management Strategy *Explanation: This strategy document defines how configuration management will be applied to the project.*

Answer 4: B - Check if this exceeds stage tolerance *Explanation: The Project Manager must first assess whether the delay impacts stage tolerance before taking action.*

Answer 5: C - An issue is a problem requiring a decision, a change request proposes a modification *Explanation: Issues are problems or concerns, while change requests specifically propose alterations to baselines.*

Answer 6: C - Closing a Project *Explanation: Product acceptance is confirmed as part of the project closure activities.*

Answer 7: B - To track which products have been completed and approved *Explanation: Product checklists help monitor the status of all products throughout the project.*

Answer 8: B - Project assurance *Explanation: Project assurance provides independent oversight on behalf of Project Board members.*

Answer 9: B - Staff training costs during implementation *Explanation: Dis-benefits are negative outcomes or additional costs resulting from the project.*

Answer 10: B - Significant changes to the project baseline *Explanation: The PID is updated when major changes affect the project's foundation documents.*

Answer 11: D - There is no maximum *Explanation: While Prince2 recommends keeping the Project Board small, there's no defined maximum.*

Answer 12: B - Communication Management Strategy *Explanation: This document defines how, when, and to whom information should be communicated.*

Answer 13: A - Business Case *Explanation: The Business Case theme addresses project justification and what the project aims to achieve.*

Answer 14: C - Project Executive *Explanation: The Project Executive chairs the Project Board and has ultimate accountability.*

Answer 15: B - To maintain information about each product *Explanation: Configuration Item Records contain detailed information about each product's status and history.*

Answer 16: B - Authority is delegated within defined tolerance levels *Explanation: Management by exception means delegating authority within set limits and only escalating when these limits are threatened.*

Answer 17: A - Continue as planned if still within stage tolerance *Explanation: As long as stage tolerance isn't threatened, the Project Manager can continue without escalation.*

Answer 18: B - Acceptance criteria are broader and include quality criteria *Explanation: Acceptance criteria define overall satisfaction requirements, including but not limited to quality criteria.*

Answer 19: B - Managing a Stage Boundary *Explanation: Project controls are reviewed and updated when planning subsequent stages.*

Answer 20: B - It should be documented in follow-on action recommendations *Explanation: Unfinished work should be recorded as recommendations for future action.*

Answer 21: B - Adapting Prince2 to fit the project context *Explanation: Tailoring means adjusting Prince2 methods to suit the specific project environment.*

Answer 22: C - Project Executive *Explanation: The Project Executive has ultimate accountability for project success.*

Answer 23: A - The Change Authority *Explanation: Change Authority can be established to handle changes within defined limits.*

Answer 24: B - To define when and how benefits will be measured after the project *Explanation: The Benefits Review Plan outlines post-project benefit measurement and review activities.*

Answer 25: B - Risk Management Strategy *Explanation: This document describes the project's approach to risk management.*

Answer 26: B - Appoint someone to provide project assurance on their behalf *Explanation: Project Board members can delegate assurance activities while retaining accountability.*

Answer 27: B - Defined Roles and Responsibilities *Explanation: This principle explicitly addresses the need for clear roles and responsibilities.*

Answer 28: C - Highlight Reports go to Project Board, Checkpoint Reports to Project Manager
Explanation: The key difference is the audience - different levels of management require different reports.

Answer 29: C - Throughout the project lifecycle
Explanation: Risk identification is an ongoing activity throughout the project.

Answer 30: A - Available resources
Explanation: Stages should be defined based on natural control points, not resource availability.

Answer 31: B - Refer to the Communication Management Strategy
Explanation: The communication strategy should guide how to handle unexpected information requests.

Answer 32: B - To define project roles, responsibilities and reporting structure
Explanation: The Organization theme establishes the project management structure.

Answer 33: C - Information needs of stakeholders
Explanation: Management products should be created based on what information stakeholders need.

Answer 34: C - A forecast 15% budget overrun when tolerance is 10%
Explanation: This exceeds the defined tolerance and requires escalation as an exception.

Answer 35: B - To identify and define all products that must be created
Explanation: Product-based planning focuses on understanding what must be delivered.

Answer 36: B - The layer of management above the Project Board
Explanation: This refers to the management level that commissioned the project and set project tolerance.

Answer 37: A - Quality Register
Explanation: The Quality Register records all planned and completed quality activities.

Answer 38: C - Budget reserves for approved changes
Explanation: A change budget is money set aside specifically for implementing approved changes.

Answer 39: B - Replace them with someone who can fulfill the role
Explanation: Effective Project Board participation is essential; non-participating members should be replaced.

Answer 40: A - To provide a detailed project performance analysis
Explanation: The End Project Report summarizes project performance against its objectives.

Answer 41: C - Directing a Project
Explanation: The Project Board authorizes Stage or Exception Plans through this process.

Answer 42: C - Work with the team manager to resolve the issue *Explanation: Quality tolerance is typically handled at the work package level first.*

Answer 43: B - Making Prince2 part of the organizational culture *Explanation: Embedding means integrating Prince2 into the organization's standard way of working.*

Answer 44: C - Ultimate accountability for project success *Explanation: The Project Executive is ultimately accountable for the project's success.*

Answer 45: B - Stakeholder expectations and risk appetite *Explanation: Tolerances should be set based on what stakeholders can accept and the organization's risk appetite.*

Answer 46: C - Work Package authorization *Explanation: Managing Product Delivery is triggered when a Team Manager receives an authorized Work Package.*

Answer 47: B - Project Plan *Explanation: Stage Plans are detailed breakdowns of the relevant portions of the Project Plan.*

Answer 48: D - Assess its probability and impact *Explanation: New risks should be assessed before being formally recorded and managed.*

Answer 49: B - To formally confirm that products meet requirements *Explanation: Customer acceptance is the formal agreement that delivered products are satisfactory.*

Answer 50: C - Define and deliver products that meet requirements *Explanation: Focus on Products means understanding what needs to be delivered to satisfy stakeholder requirements.*

Answer 51: B - Exception Report *Explanation: Exception Reports are created when tolerance is forecast to be exceeded.*

Answer 52: B - To define what a product is and its quality requirements *Explanation: Product Descriptions specify the purpose, composition, and quality criteria for products.*

Answer 53: D - All of the above *Explanation: All these factors should be considered when establishing Change Authority limits.*

Answer 54: B - It should be updated and reviewed for the next stage *Explanation: The Risk Register is a project-level document that continues throughout the project.*

Answer 55: B - How much variation the Project Board can accept in a stage *Explanation: Stage tolerance defines the acceptable deviation from stage objectives.*

Answer 56: C - Directing a Project *Explanation: The Project Board authorizes the start of stages through the Directing a Project process.*

Answer 57: B - Risk Register *Explanation: The Risk Register contains current information about all identified risks.*

Answer 58: C - Stakeholder information needs *Explanation: Reporting frequency should be tailored to meet stakeholder requirements.*

Answer 59: D - All of the above *Explanation: All these factors can justify creating multiple management stages.*

Answer 60: B - To capture relevant experience for future projects *Explanation: The Lessons Log records lessons that can benefit the current and future projects.*

Answer 61: B - Senior User *Explanation: The Senior User represents user interests and ensures requirements are properly addressed.*

Answer 62: C - Close the project prematurely *Explanation: Projects should be closed if they can no longer be justified.*

Answer 63: B - Progress *Explanation: The Progress theme addresses monitoring and controlling project progress.*

Answer 64: A - A Work Package *Explanation: Work Packages formalize the delegation of work to Team Managers.*

Answer 65: C - Develop a risk response appropriate to the potential impact *Explanation: Risk responses should be proportionate to both probability and impact.*

Answer 66: D - Detailed scheduling *Explanation: Detailed scheduling is a planning technique, not a control mechanism.*

Answer 67: D - Both B and C *Explanation: Business alignment should be reviewed at stage boundaries and when strategy changes.*

Answer 68: A - Acceptable variation in product quality *Explanation: Quality tolerance defines how much quality can vary while still being acceptable.*

Answer 69: B - Controlling a Stage *Explanation: Corrective action is taken as part of controlling stage activities.*

Answer 70: B - Product Description *Explanation: Product Descriptions contain the quality criteria for specific products.*

Answer 71: B - Information needs and project context *Explanation: Management products should be tailored to provide needed information efficiently.*

Answer 72: B - The business case should be reviewed at each stage boundary *Explanation: The Business Case should be regularly reviewed to ensure continued justification.*

Answer 73: D - Depend on the impact and value of the change *Explanation: The approval authority depends on the significance and value of the proposed change.*

Answer 74: C - To capture informal notes and observations *Explanation: The Daily Log is for the Project Manager's informal notes and reminders.*

Answer 75: C - High-level project timeline *Explanation: Project Plans show high-level timelines; Stage Plans contain detailed scheduling.*

Answer 76: B - Escalate to the Senior User for resolution *Explanation: The Senior User should resolve conflicts between different user requirements.*

Answer 77: A - They should be handed over to the customer *Explanation: Specialist products are delivered to and accepted by the customer.*

Answer 78: B - Independent monitoring on behalf of Project Board interests *Explanation: Project assurance provides independent oversight for Project Board members.*

Answer 79: C - Project Initiation Documentation *Explanation: The PID contains the project management approaches including supplier management.*

Answer 80: C - Regular control and decision points *Explanation: Management stages provide natural points for review and authorization.*

Answer 81: C - Closing a Project *Explanation: Premature closure preparation is an activity within the Closing a Project process.*

Answer 82: D - All of the above *Explanation: Lessons should be applied throughout the project lifecycle.*

Answer 83: B - Project context and requirements *Explanation: Quality methods should be chosen based on what's appropriate for the project.*

Answer 84: C - Day-to-day management of the project *Explanation: The Project Manager is responsible for daily project management activities.*

Answer 85: B - Update the business case and seek guidance *Explanation: Invalid assumptions may affect project justification and require Business Case updates.*

Answer 86: C - Managing project product baselines *Explanation: Configuration management controls and tracks versions of project products.*

Answer 87: B - Exception situation requiring guidance *Explanation: Ad hoc decisions are typically triggered by exceptional circumstances.*

Answer 88: A - Work Package *Explanation: Work Packages define the authority and constraints for Team Managers.*

Answer 89: B - Inform corporate/programme management *Explanation: Project tolerance is set by the layer above the Project Board, so they must be informed.*

Answer 90: A - Organization *Explanation: The Organization theme defines roles, responsibilities, and decision-making authority.*

Answer 91: A - Project assurance arrangements *Explanation: Project assurance allows delegation of oversight while maintaining accountability.*

Answer 92: B - To report work package progress to the Project Manager *Explanation: Checkpoint Reports provide Team Manager updates to the Project Manager.*

Answer 93: C - Projects should be planned, monitored and controlled stage by stage *Explanation: This principle ensures projects are manageable through staged control.*

Answer 94: B - Product-based planning *Explanation: Product-based planning identifies products and their quality requirements.*

Answer 95: C - Achievement of stage objectives *Explanation: Stages end when their planned objectives have been achieved.*

Answer 96: D - Team member changes *Explanation: Team changes don't typically affect the Risk Register unless they impact risk levels.*

Answer 97: B - Project assurance activities *Explanation: Project assurance protects stakeholder interests throughout the project.*

Answer 98: B - They should be included in follow-on action recommendations *Explanation:*

Unresolved issues should be documented for post-project resolution.

Answer 99: B - Controlling a Stage *Explanation: Work Package authorization is part of stage control activities.*

Answer 100: C - Project Initiation Documentation *Explanation: The PID contains the project's change control approach and procedures.*

Answer 101: B - The permissible deviation from project objectives set by corporate management *Explanation: Project tolerance is set by the commissioning level of management.*

Answer 102: C - Changes exceeding Change Authority limits *Explanation: Changes beyond Change Authority limits require Project Board approval.*

Answer 103: A - Quality Register *Explanation: The Quality Register tracks all quality management activities.*

Answer 104: C - Tolerance being exceeded or forecast to be exceeded *Explanation: Exception Plans are created when tolerance is threatened, regardless of the cause.*

Answer 105: B - Managing the delivery of one or more Work Packages *Explanation: Team Managers are responsible for Work Package delivery.*

Answer 106: B - Senior User *Explanation: The Senior User represents those who will realize the benefits.*

Answer 107: B - It should be assessed and recorded in the Risk Register *Explanation: New risks should be properly assessed and formally recorded.*

Answer 108: C - Authority to commit resources and make decisions *Explanation: Project Board members must have authority to represent their stakeholder groups.*

Answer 109: B - Stage Plan *Explanation: Stage Plans detail the products to be created in each stage.*

Answer 110: A - To assess the effect of proposed changes *Explanation: Impact analysis evaluates the consequences of proposed changes.*

Answer 111: B - Controlling a Stage *Explanation: Work Package status review is part of stage control activities.*

Answer 112: C - Project assurance activities *Explanation: Project assurance monitors compliance with project management processes.*

Answer 113: C - Information needs and project context *Explanation: Documentation should be tailored to provide necessary information efficiently.*

Answer 114: B - Performance against the Stage Plan *Explanation: End Stage Reports summarize stage performance and achievements.*

Answer 115: C - An issue requiring a decision *Explanation: Significant supplier changes are issues requiring management decisions.*

Answer 116: B - To describe all communication needs and approaches *Explanation: The Communication Management Strategy covers all project communication requirements.*

Answer 117: C - When the project can no longer be justified or objectives achieved *Explanation: Projects should close when they complete objectives or lose justification.*

Answer 118: A - Work Package tolerances *Explanation: Work Package tolerances can include authority for minor specification changes.*

Answer 119: B - The Business Case should be updated and reviewed *Explanation: Reduced benefits may affect project justification and require Business Case review.*

Answer 120: C - Tailor to Suit the Project Environment *Explanation: This principle requires proportional application of Prince2 based on project characteristics.*

Scoring Guide

- **100-120 correct (83-100%):** Excellent - Ready for the exam
- **84-99 correct (70-82%):** Good - Review weak areas
- **72-83 correct (60-69%):** Fair - Significant study needed
- **Below 72 (Below 60%):** More preparation required

Advanced Study Areas for Set 3

This comprehensive set emphasizes:

Integration and Application (40 questions)

- How themes, processes, and principles work together
- Real-world scenario application
- Cross-theme dependencies and relationships

Decision Making and Escalation (25 questions)

- When to escalate vs. handle locally
- Authority levels and delegation
- Exception management and tolerance

Product and Quality Management (20 questions)

- Product-based planning application
- Quality planning, control, and assurance differences
- Configuration management principles

Risk and Issue Management (15 questions)

- Risk vs. issue distinction
- Risk response strategies
- Issue resolution approaches

Communication and Reporting (12 questions)

- Stakeholder information needs
- Reporting frequency and content
- Communication strategy application

Business Case and Benefits (8 questions)

- Continued business justification
- Benefits realization responsibility
- Business case maintenance

Combined Preparation Strategy

With all three sets (240 total questions), you now have comprehensive coverage of:

1. **Fundamental Concepts** (Set 1) - Basic principles, themes, processes
2. **Integration and Application** (Set 2) - How components work together
3. **Advanced Scenarios** (Set 3) - Complex decision-making situations

Final Exam Tips

- **Focus on decision-making:** Many questions test who makes what decisions
- **Understand escalation:** Know when to escalate vs. handle locally
- **Practice tolerance scenarios:** Understand different tolerance levels
- **Review role responsibilities:** Clear understanding of who does what
- **Study product management:** Product-based planning is frequently tested

This comprehensive question bank should thoroughly prepare you for the Prince2 Foundation exam!