Prince2 Foundation Practice Exam

60 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: 60 minutes (1 minute per question)

QUESTIONS

Question 1: What is the primary purpose of the Business Case theme in Prince2? A) To define project roles and responsibilities B) To justify the continued business investment in the project C) To manage project risks D) To control project changes

Question 2: Which Prince2 principle states that projects should be tailored to suit the project environment, size, complexity, importance, capability and risk? A) Continued Business Justification B) Learn from Experience C) Defined Roles and Responsibilities D) Tailor to Suit the Project Environment

Question 3: In Prince2, who is responsible for ensuring that the project delivers products that will achieve the expected benefits? A) Project Manager B) Senior User C) Project Executive D) Team Manager

Question 4: Which management stage comes immediately after the Initiating a Project process? A) Controlling a Stage B) Managing Product Delivery C) Managing a Stage Boundary D) The first delivery stage

Question 5: What is the minimum number of management stages a Prince2 project must have? A) 1 B) 2 C) 3 D) 4

Question 6: Which Prince2 theme is concerned with establishing mechanisms to monitor and compare actual achievements against those planned? A) Quality B) Progress C) Risk D) Change

Question 7: What does the acronym PRINCE2 stand for? A) Projects IN Controlled Environments B) Project IN Controlled Enterprise C) Projects IN a Controlled Environment D) Project Management IN

Controlled Environments

Question 8: Which role is responsible for the overall business assurance of the project? A) Senior User B) Senior Supplier C) Project Executive D) Project Manager

Question 9: In the Risk theme, what does the term 'risk appetite' refer to? A) The total amount of risk a project can take B) The amount of risk an organization is willing to take C) The impact of identified risks D) The probability of risk occurrence

Question 10: Which process is responsible for authorizing the initiation of the project? A) Starting up a Project B) Directing a Project C) Initiating a Project D) Controlling a Stage

Question 11: What is a Work Package in Prince2? A) A collection of related products B) A set of information to enable the Team Manager to authorize work C) A technique for planning D) A management product

Question 12: Which of the following is NOT one of the seven Prince2 themes? A) Organization B) Plans C) Resources D) Quality

Question 13: In Prince2, what is the purpose of the Project Brief? A) To provide the mandate for the project B) To provide a full business justification C) To give a preliminary outline of the project D) To authorize the next stage

Question 14: Which Prince2 principle emphasizes the importance of having clearly defined and agreed roles and responsibilities? A) Manage by Exception B) Focus on Products C) Defined Roles and Responsibilities D) Manage by Stages

Question 15: What is the primary purpose of a Checkpoint Report? A) To report on stage progress B) To report on team progress within a Work Package C) To report on overall project status D) To request resources

Question 16: In the Plans theme, what are the three levels of plans in Prince2? A) Project Plan, Stage Plan, and Team Plan B) Strategic Plan, Tactical Plan, and Operational Plan C) High Level Plan, Medium Level Plan, and Detailed Plan D) Corporate Plan, Programme Plan, and Project Plan

Question 17: Which tolerance level, if exceeded, requires escalation to the Project Board? A) Work Package tolerance B) Stage tolerance C) Project tolerance D) Team tolerance

Question 18: What is the main purpose of the Quality Register? A) To record quality activities planned and completed B) To define quality criteria C) To list all project products D) To record lessons learned

Question 19: In Prince2, what does 'management by exception' mean? A) Only managing unusual situations B) Delegating authority within defined limits C) Making exceptions to project rules D) Managing only high-risk activities

Question 20: Which process includes the activity 'Review and update the Business Case'? A) Controlling a Stage B) Managing a Stage Boundary C) Directing a Project D) Closing a Project

Question 21: What is the purpose of the Project Product Description? A) To describe how products will be developed B) To define the project's key product and its acceptance criteria C) To list all products in the project D) To show the sequence of product delivery

Question 22: In Prince2, what is a 'specialist product'? A) A product created by external suppliers B) A product that requires special skills to create C) A product that is part of the final deliverable D) A product that costs more than average

Question 23: Which of the following is a characteristic of a project according to Prince2? A) Routine operations B) Finite and temporary C) No defined end date D) Unlimited resources

Question 24: What is the main difference between a Project Manager and a Team Manager in Prince2? A) Project Manager reports to Project Board, Team Manager to Project Manager B) Project Manager manages stages, Team Manager manages products C) Project Manager is permanent, Team Manager is temporary D) There is no significant difference

Question 25: In the Risk theme, what is a 'risk owner'? A) The person who identified the risk B) The person responsible for managing the risk response C) The person most affected by the risk D) The person who funds the risk response

Question 26: What is the primary purpose of the Configuration Management Strategy? A) To define how the project's products will be identified and controlled B) To describe the project organization C) To outline the project approach D) To define quality procedures

Question 27: Which Prince2 product is used to capture lessons that can be applied to future projects? A) Issue Register B) Lessons Log C) Risk Register D) Quality Register

Question 28: In Prince2, what is the recommended maximum duration for a management stage? A) 3 months B) 6 months C) 12 months D) There is no maximum duration

Question 29: What is the main purpose of a Product Breakdown Structure? A) To show the sequence of product creation B) To hierarchically decompose products to be produced C) To assign responsibilities for products D) To estimate product costs

Question 30: Which process is responsible for accepting completed Work Packages? A) Managing Product Delivery B) Controlling a Stage C) Managing a Stage Boundary D) Directing a Project

Question 31: In Prince2, what is an 'off-specification'? A) A product that doesn't meet its specification B) A change to project scope C) A risk that has occurred D) A lesson learned

Question 32: What is the minimum composition of a Project Board? A) Project Executive only B) Project Executive and Senior User C) Project Executive, Senior User, and Senior Supplier D) All stakeholders

Question 33: Which theme deals with the identification, assessment and control of any potential changes to the baseline? A) Risk B) Change C) Progress D) Plans

Question 34: What is the purpose of the Communication Management Strategy? A) To define team communication protocols B) To describe how information will be communicated to and from the project C) To outline stakeholder requirements D) To detail reporting procedures only

Question 35: In Prince2, what triggers the Closing a Project process? A) All products have been delivered B) The Project Manager requests closure C) The project tolerance is exceeded D) A request to close the project is approved

Question 36: What is the main purpose of a Stage Plan? A) To provide an overview of the entire project B) To detail the activities for the current stage C) To show dependencies between stages D) To estimate stage costs

Question 37: Which of the following is NOT a valid option for responding to a risk in Prince2? A) Avoid B) Reduce C) Transfer D) Delegate

Question 38: What is the primary purpose of the Project Initiation Documentation (PID)? A) To start the project B) To provide a baseline against which progress can be measured C) To request project funding D) To assign project resources

Question 39: In Prince2, what is a 'concession'? A) A reduction in project scope B) Off-specification that is accepted C) A delay in project delivery D) A budget increase

Question 40: Which Prince2 process includes the activity 'Plan the next stage'? A) Controlling a Stage B) Managing a Stage Boundary C) Initiating a Project D) Starting up a Project

Question 41: What is the purpose of the Benefits Review Plan? A) To review project benefits during the project B) To define how benefits will be measured post-project C) To justify project benefits D) To assign benefit responsibilities

Question 42: In Prince2 organization theme, what is the role of Project Assurance? A) To provide independent oversight of project management B) To manage project risks C) To control project changes D) To deliver project products

Question 43: Which of the following best describes 'customer quality expectations'? A) Technical specifications for products B) Statement of the quality expected by the user C) Quality control procedures D) Testing requirements

Question 44: What is the recommended approach for tailoring Prince2? A) Remove unnecessary processes B) Adapt the method to suit the project context C) Simplify all documentation D) Use only relevant themes

Question 45: In the Change theme, what is a 'change budget'? A) The total project budget B) Money set aside to fund approved changes C) Budget for change management activities D) Cost of implementing change control procedures

Question 46: Which process is responsible for creating Exception Reports? A) Controlling a Stage B) Managing Product Delivery C) Managing a Stage Boundary D) Directing a Project

Question 47: What is the main purpose of a Product Flow Diagram? A) To show product hierarchies B) To show the sequence and dependencies of product delivery C) To assign product responsibilities D) To estimate product effort

Question 48: In Prince2, what is the difference between an issue and a risk? A) Issues are problems that have happened, risks might happen B) Issues are internal, risks are external C) Issues are minor, risks are major D) There is no difference

Question 49: Which of the following is a management product in Prince2? A) Software application B) Training material C) Business Case D) Hardware component

Question 50: What is the primary purpose of the Starting up a Project process? A) To authorize the project B) To do the minimum necessary to decide if the project is worthwhile C) To create detailed plans D) To identify all stakeholders

Question 51: In Prince2, what does 'focus on products' mean? A) Only deliver physical products B) Define and deliver products that meet stakeholder requirements C) Focus on profitable products only D) Prioritize product delivery over planning

Question 52: Which tolerance is set by Corporate or Programme Management? A) Work Package tolerance B) Stage tolerance C) Project tolerance D) Team tolerance

Question 53: What is the purpose of a Highlight Report? A) To report issues to the Project Board B) To provide regular progress updates to the Project Board C) To request additional resources D) To highlight project risks

Question 54: In the Progress theme, what are the three progress controls? A) Time, cost, and quality B) Delegating, monitoring, and reporting C) Planning, monitoring, and controlling D) Tolerances, reporting, and reviews

Question 55: Which Prince2 technique is used to identify and analyze product requirements? A) Risk analysis B) Product-based planning C) Change control D) Quality planning

Question 56: What triggers an Exception Report? A) Regular reporting schedule B) Tolerance being forecast to be exceeded C) Project Board request D) Stage completion

Question 57: In Prince2, what is the purpose of project controls? A) To restrict project activities B) To enable effective decision making C) To reduce project costs D) To speed up project delivery

Question 58: Which process is responsible for authorizing Work Packages? A) Managing Product Delivery B) Controlling a Stage C) Managing a Stage Boundary D) Directing a Project

Question 59: What is the recommended content of a lessons report? A) All lessons learned during the project B) Relevant lessons for future similar projects C) Mistakes made during the project D) Best practices only

Question 60: In Prince2, what happens if a project can no longer be justified? A) The project continues with reduced scope B) The project should be closed prematurely C) The project budget should be increased D) The project timeline should be extended

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ANSWERS AND EXPLANATIONS

Answer 1: B - To justify the continued business investment in the project *Explanation: The Business Case theme ensures the project remains desirable, viable, and achievable throughout its life.*

Answer 2: D - Tailor to Suit the Project Environment *Explanation: This is one of the seven Prince2 principles, emphasizing that the method should be adapted to fit the specific project context.*

Answer 3: B - Senior User *Explanation: The Senior User represents those who will use the final product and is accountable for realizing the benefits.*

Answer 4: D - The first delivery stage *Explanation: After the initiation stage (which contains the Initiating a Project process), the project moves to its first delivery stage.*

Answer 5: B - 2 *Explanation: Every Prince2 project has at least an initiation stage and one subsequent delivery stage.*

Answer 6: B - Progress *Explanation: The Progress theme establishes mechanisms to monitor and compare actual achievements against those planned.*

Answer 7: A - Projects IN Controlled Environments *Explanation: PRINCE2 stands for Projects IN Controlled Environments, version 2.*

Answer 8: C - Project Executive *Explanation: The Project Executive has overall accountability for the project and chairs the Project Board.*

Answer 9: B - The amount of risk an organization is willing to take *Explanation: Risk appetite is the organization's attitude toward risk-taking.*

Answer 10: B - Directing a Project *Explanation: The Project Board authorizes initiation through the 'Authorize initiation' activity in Directing a Project.*

Answer 11: B - A set of information to enable the Team Manager to authorize work *Explanation: A Work Package provides the information needed by a Team Manager to plan and control work.*

Answer 12: C - Resources *Explanation: The seven themes are: Organization, Business Case, Quality, Plans, Risk, Change, and Progress. Resources is not one of them.*

Answer 13: C - To give a preliminary outline of the project *Explanation: The Project Brief provides a foundation for detailed planning during initiation.*

Answer 14: C - Defined Roles and Responsibilities *Explanation: This principle ensures everyone knows what they're accountable for and who makes decisions.*

Answer 15: B - To report on team progress within a Work Package *Explanation: Checkpoint Reports provide regular progress updates from Team Manager to Project Manager.*

Answer 16: A - Project Plan, Stage Plan, and Team Plan *Explanation: These are the three levels of plans in Prince2, from highest to most detailed level.*

Answer 17: B - Stage tolerance *Explanation: Exceeding stage tolerance requires escalation to the Project Board via an Exception Report.*

Answer 18: A - To record quality activities planned and completed *Explanation: The Quality Register tracks all quality management activities throughout the project.*

Answer 19: B - Delegating authority within defined limits *Explanation: Management by exception means setting tolerances and only escalating when these are threatened.*

Answer 20: B - Managing a Stage Boundary *Explanation: The Business Case is updated as part of updating the Project Plan during stage boundary management.*

Answer 21: B - To define the project's key product and its acceptance criteria *Explanation: The Project Product Description defines what the project must deliver and how success will be measured.*

Answer 22: C - A product that is part of the final deliverable *Explanation: Specialist products are created for the customer and form part of the final outcome.*

Answer 23: B - Finite and temporary *Explanation: Projects have a definite start and end date and create something new.*

Answer 24: A - Project Manager reports to Project Board, Team Manager to Project Manager *Explanation: This shows the hierarchical relationship and different reporting levels.*

Answer 25: B - The person responsible for managing the risk response *Explanation: The risk owner is accountable for managing and monitoring the risk.*

Answer 26: A - To define how the project's products will be identified and controlled *Explanation: Configuration Management Strategy describes the procedures for managing product baselines.*

Answer 27: B - Lessons Log *Explanation: The Lessons Log captures lessons that can be applied within the project or future projects.*

Answer 28: B - 6 months *Explanation: Prince2 recommends that management stages should not exceed 6 months.*

Answer 29: B - To hierarchically decompose products to be produced *Explanation: Product Breakdown Structure shows products in a hierarchy from highest level down to detail.*

Answer 30: B - Controlling a Stage *Explanation: The Project Manager accepts completed Work Packages as part of controlling a stage.*

Answer 31: A - A product that doesn't meet its specification *Explanation: An off-specification is something that should meet requirements but doesn't.*

Answer 32: C - Project Executive, Senior User, and Senior Supplier *Explanation: The Project Board must have all three primary stakeholder interests represented.*

Answer 33: B - Change *Explanation: The Change theme deals with identifying, assessing and controlling changes to baselines.*

Answer 34: B - To describe how information will be communicated to and from the project *Explanation: The Communication Management Strategy covers all project communication needs.*

Answer 35: D - A request to close the project is approved *Explanation: Project closure must be authorized by the Project Board.*

Answer 36: B - To detail the activities for the current stage *Explanation: Stage Plans provide detailed planning for a single management stage.*

Answer 37: D - Delegate *Explanation: The four risk responses are: Avoid, Reduce, Transfer, and Accept. Delegate is not a valid response.*

Answer 38: B - To provide a baseline against which progress can be measured *Explanation: The PID establishes the foundation for project execution and control.*

Answer 39: B - Off-specification that is accepted *Explanation: A concession is an off-specification that is accepted without corrective action.*

Answer 40: B - Managing a Stage Boundary *Explanation: Planning the next stage is a key activity when managing stage boundaries.*

Answer 41: B - To define how benefits will be measured post-project *Explanation: The Benefits Review Plan outlines how and when benefits will be reviewed after project closure.*

Answer 42: A - To provide independent oversight of project management *Explanation: Project Assurance provides independent monitoring on behalf of the Project Board.*

Answer 43: B - Statement of the quality expected by the user *Explanation: Customer quality expectations represent the customer's view of product suitability.*

Answer 44: B - Adapt the method to suit the project context *Explanation: Tailoring means adapting Prince2 to fit the specific project environment and requirements.*

Answer 45: B - Money set aside to fund approved changes *Explanation: A change budget is allocated funding for implementing approved changes.*

Answer 46: A - Controlling a Stage *Explanation: Exception Reports are created when stage tolerance is forecast to be exceeded.*

Answer 47: B - To show the sequence and dependencies of product delivery *Explanation: Product Flow Diagrams show the order in which products must be developed.*

Answer 48: A - Issues are problems that have happened, risks might happen *Explanation: Issues are current problems requiring decisions; risks are uncertain future events.*

Answer 49: C - Business Case *Explanation: Management products are created for managing the project. Business Case is a management product.*

Answer 50: B - To do the minimum necessary to decide if the project is worthwhile *Explanation: Starting up a Project ensures there is sufficient information to make an informed decision about initiation.*

Answer 51: B - Define and deliver products that meet stakeholder requirements *Explanation: Focus on products means understanding what needs to be delivered to satisfy requirements.*

Answer 52: C - Project tolerance *Explanation: Project tolerance is set by the layer of management above the Project Board.*

Answer 53: B - To provide regular progress updates to the Project Board *Explanation: Highlight Reports provide routine progress information to the Project Board.*

Answer 54: B - Delegating, monitoring, and reporting *Explanation: These are the three elements of the progress control cycle in Prince2.*

Answer 55: B - Product-based planning *Explanation: Product-based planning is the technique used to identify products and their requirements.*

Answer 56: B - Tolerance being forecast to be exceeded *Explanation: Exception Reports are triggered when tolerance is predicted to be exceeded.*

Answer 57: B - To enable effective decision making *Explanation: Project controls provide the information needed for timely and effective decisions.*

Answer 58: B - Controlling a Stage *Explanation: The Project Manager authorizes Work Packages as part of controlling a stage.*

Answer 59: B - Relevant lessons for future similar projects *Explanation: Lessons reports should focus on lessons that will be useful for future projects.*

Answer 60: B - The project should be closed prematurely *Explanation: If a project loses its business justification, it should be terminated to avoid wasting resources.*

Scoring Guide

- **50-60 correct (83-100%)**: Excellent - Ready for the exam

- **42-49 correct (70-82%)**: Good - Review weak areas

- **36-41 correct (60-69%)**: Fair - Significant study needed

- **Below 36 (Below 60%)**: More preparation required

Study Recommendations

Focus additional study on:

- **Themes**: Business Case, Organization, Quality, Plans, Risk, Change, Progress

- **Processes**: Seven processes from Starting up a Project to Closing a Project

- **Principles**: Seven guiding principles of Prince2

- **Products**: Key management products and their purposes

- **Roles**: Project Board composition and responsibilities

Good luck with your Prince2 Foundation exam!