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1.

A project manager creates a budget. They determine the amount of buffer funds the project likely needs for completion. What is this budget component?

☐

Surprise expense

☒

Reserve analysis

☐

Expected estimation

☐

Risk funding

☒

Correct
- 1 / 1 point

2.

Imagine you create a budget and add it to a spreadsheet. You include the estimated costs for contractors who are working on the project based on the expected number of hours they work. What column should you enter this cost in your spreadsheet?

☐

Actual cost

☒

Planned cost

☐

Minimal cost

☐

Limit cost

☒

Correct

1 / 1 point

3.

A project manager proactively identifies factors that might have an impact on the budget and takes action to limit variance. What is this practice called?

☒

Cost control

☐

Finding the baseline

☐

Cost limiting

☐

Bottom-up approach

☒

Correct

1 / 1 point

4.

As a project manager, you research and source for a specific service. You then have to manage that relationship. This is known as what type of procurement?

☐

Performance management

☐

Cost management

☒

Vendor management

☐

Budget management

☒

Correct

1 / 1 point

5.

Which section of the statement of work (SoW) includes the desired outcomes of the entire project?

☐

Purpose

☒

Scope

☐

Deliverables

☐

Major milestones

☒

Incorrect

Please review [the video on creating the statement of work \(SoW\)](#).

0 / 1 point

6.

Which of the following justifies sole-supplier sourcing?

☐

The project sponsor asks to only use one particular supplier.

1 / 1 point

- ☒ The company is cautious about exposing trade secrets.
- ☐ The supplier is easy to work with and offers a discount.
- ☐ The supplier provided material for the past three projects.

☒ Correct

7. To create a well-organized budget, a project manager includes different types of expenses. Which type of budget expense includes costs for day-to-day tasks within a company? 1 / 1 point

- ☐ Capital expenses (CAPEX)
- ☐ Reserve expenses
- ☒ Operating expenses (OPEX)
- ☐ Fixed expenses

☒ Correct

8. At what phase in the procurement process would a project manager define project resources and make the case for obtaining them? 1 / 1 point

- ☐ Completing
- ☒ Initiating
- ☐ Selecting
- ☐ Controlling

☒ Correct

9. Time and materials contracts are usually paid monthly, based on hours worked. What is a fixed contract? 1 / 1 point

- ☐ A contract paid to a specific vendor
- ☐ A contract paid for a certain amount of time
- ☐ A contract paid internally to team members
- ☒ A contract paid when certain milestones are reached

☒ Correct

10. The budgeting process usually takes place at the same time as what other process? 0 / 1 point

- ☐ Production
- ☒ Procurement
- ☐ Scheduling
- ☐ Delivery

☒ Incorrect
Please review [the video on the importance of budget setting](#).