

Congratulations! You passed!
Grade received 100%
To pass 75% or higher
Go to next item

1.

As a project manager setting a budget, you factor in unexpected costs that may arise during the project. What budgeting strategy does this refer to?

1 / 1 point

- ☐ Setting a baseline
- ☐ Leveraging experts
- ☐ Bottom-up approach
- ☒ Adding a buffer and reserves

☒

Correct

When budgeting for a project, you'll want to leave room for costs that exceed estimations.

2.

As a project manager, what three things should you do to control costs and reduce changes to the budget? Select all that apply.

1 / 1 point

- ☒ Ensure budget changes are within scope.

☒

Correct

You should ensure that any additional costs or changes to the budget are within the project boundaries. You should also get stakeholder sign-off on any changes and manage changes as they are made.

- ☒ Establish a sign-off plan and inform stakeholders of any expense changes that occur.

☒

Correct

You should get appropriate stakeholders to agree to any additional costs before they are incurred. You should also manage changes as they are made and ensure the changes are within scope.

- ☐ Request stakeholder approval on additional costs only *after* they are incurred
- ☒ Manage changes as they're made.

☒

Correct

You should update forecasts as cost changes occur because you don't want budget changes to surprise you. You should also get stakeholder sign-off on any changes and ensure changes are within scope.

3.

As a project manager, what does going under budget on a project indicate about your approach to budget management? Select all that apply.

1 / 1 point

- ☒ That your initial estimates were inaccurate

☒

Correct

Going under budget indicates that you may not have done a good job at initially estimating and that you could have spent more money on the project. It also could result in your budget for future projects being reduced.

- ☐ That you accurately estimated the total cost of ownership (TCO)
- ☐ That you effectively conserved funds and will likely receive larger budgets for future projects
- ☒ That you could have spent more on the project to provide extra resources

☒

Correct

Going under budget indicates that you could have spent more money on the project. For example, you could have possibly had extra resources or better quality output. It may also mean that you did not do a good job at initially estimating and that your budget for future projects could be slashed.

4.

What budgeting challenge arises when changes or growth cause additional work the project manager hadn't planned for?

1 / 1 point

- ☐ Inaccurate budget baseline
- ☐ Budget pre-allocation
- ☐ Inaccurately accounting for total costs
- ☒ Scope creep

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Correct

Scope creep is when changes, growth, and other factors affect the project's scope at any point after the project begins. Scope creep causes additional work that wasn't planned for, so it can impact your budget.