Project Scenario

Calendar Project
(Note: The companies and people within the scenario are fictional.)

There has been a reduction in the number of orders at the MNO Manufacturing Company due in part to the increased marketing activities of its competitors. To help counter this, the company has decided to create a promotional calendar for next year for all its current and prospective customers.

The end product of this project will be a prepared calendar pack, ready for printing. The design of the calendar will be similar to one sent out previously, and must reflect the company image as described in the existing corporate branding standards. Another project is currently producing a new company logo which is to be printed on each page of the promotional calendar. The prepared calendar pack will consist of:

- Design for each month - correctly showing all public holidays and new company logo
- Selected photographs - 12 professionally-produced photographs, showing different members of staff
- Selected paper and selected envelope - for printing and mailing the calendar
- Chosen label design - a competition to design a label will be held as part of this project
- List of customers - names and addresses of customers to whom the calendar will be sent.
The project is currently in initiation and will have two further stages:

Stage 2 will include the activities to:
- create the customer list using information from the Accounts and Marketing departments
- confirm compliance with the Data Protection Legislation
- create a design for each month - this will be done by the internal creative team
- select and appoint a professional photographer
- gather photograph design ideas from previous project and agree photographic session schedule
- prepare a production cost forecast
- select paper and envelope

Stage 3 will include the activities to:
- produce and select the professionally-taken photographs
- hold the label design competition and choose the label design
- assemble the prepared calendar pack

A production cost forecast, based on the options and costs for the paper, envelope, printing and mailing of the calendar is to be produced in stage 2. However, the actual production and distribution of the calendars is not within the scope of this project. The production cost forecast will be reviewed by the Project Board to determine whether the project should continue.

It is now 05 October and the prepared calendar pack must be delivered to the print company by 30 November, to enable printing and distribution of the calendar in time for Christmas. The cost of the activities to develop the specialist products and the cost of the project management activities are estimated to be £20,000. There is a project time tolerance of +1 week / -2 weeks and a project cost tolerance of +£6,000 / -£6,000. A change budget of £500 has been allocated but there is no risk budget.
Additional Information:

Question 1: Business Case Theme - Additional Information

During the initiation stage the Project Manager met with the Marketing Director to find out more about the requirements of the promotional calendar and recorded the following notes:

There has been a reduction in the number of orders at the MNO Manufacturing due in part to the increased marketing activities of its competitors. 10% of customers have not re-ordered in this financial year and staff morale is poor. A number of skilled staff have left as a result and replacement staff have not been recruited due to the reduced operation. If the project is successful, a recruitment campaign will be required to fill the existing staff vacancies and there may be a requirement for additional staff. Operational costs are likely to increase because skilled staff are expensive and difficult to find.

In financial terms, there were a total of 1,500 orders in the last financial year, each with an average profit of £2,000. The Marketing department believes that sending a promotional calendar to the company's current and prospective customers would increase orders by at least 10%, with a minimum of 10 further orders from the list of prospective customers within 12 months from the date of distribution.

The Marketing Director will be funding the project from the business marketing budget. She believes that the effect of a good company image portrayed by a successful calendar would last into a second year. She has forecast the same increase in orders for a second year and predicts that the annual employee satisfaction survey will show a measurable improvement in staff morale.
A number of alternatives were explored, including:

- 20% discount for all repeat customers - not cost-effective and very short term
- A promotional calendar as a free Christmas gift - would target current and prospective customers and the benefits would last into a second year
- A series of television and press advertisements - would be too expensive
- Creation of an internet website - would not suit all customers.

The calendar is seen as the favoured option, as long as the company's competitors do not increase their marketing activity. Whilst the Marketing department wants a very high quality, glossy product, the project management team must be aware of the cost this will incur.
Question 2: Organization Theme - Additional Information

**Chief Executive Officer (CEO):** He started the company 25 years ago and knows his job very well. He injured his leg two years ago which has restricted his visits to the engineering area. As CEO he has an overall perspective of the business strategic requirements and the authority to commit resources as required.

**Marketing Director:** She has been with the company for three years, following a successful career with a publicity company. She has the ability to represent the needs of the business, particularly as this is a marketing project. She has the authority to commit the annual business marketing budget, from which the project will be funded, as she sees appropriate. She will be responsible for monitoring the expected benefits of the calendar, in particular the improvement of the company's image.

**Engineering Manager:** He has been responsible for many engineering innovations in the company and is still as keen and energetic as the day he started. Whilst he will not be part of the project team, his staff will feature in the photographs for the promotional calendar.

**Central Records:** This group of five staff looks after all company records and document control. They now maintain all project files.

**Bright Lights:** This is the local office supplies company. It supplies all the stationery and office equipment needs of the company and will supply the stationery for this project.

**Portraits Ltd:** This is a professional photographic company with a number of excellent photographers and a history of successful work. This company has been selected to take the photographs for the company calendar. It has yet to be decided which of the photographers to use.
Question 3: Quality Theme - Additional Information

Extract from the Project Product Description (with errors)

| Composition       | 1. Design for each month  
|                  | 2. 100gsm glossy paper  
|                  | 3. Full colour  
|                  | 4. Selected envelope  
|                  | 5. Chosen label design  
|                  | 6. List of customers  
|                  | 7. Selected photographs  
|                  | 8. Photographic session schedule  
| Derivation       | 9. New company logo design  
|                  | 10. Previous calendar designs  
|                  | 11. Internal creative team  
|                  | 12. Production cost forecast  
| Development skills required | 13. Photographer  
|                  | 14. Internal creative team  
|                  | 15. Print company  
| Customer’s quality expectations | 16. Professional photographs  
|                  | 17. 10% more calendars than required should be printed to allow for any late additions to the list of customers  
|                  | 18. Compliance with applicable corporate standards  
|                  | 19. The calendar should reflect the company image as described in the corporate branding standards  
|                  | 20. The calendar will increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months  
| Acceptance criteria | 21. Appearance: each photograph should be sufficiently attractive and humorous that the customer wants to display it  
|                  | 22. Appearance: new company logo promotes strong image  
|                  | 24. Accuracy: public holidays match the list supplied by Marketing  

Question 5: Risk Theme - Additional Information

A photographer from Portraits Ltd, a professional photographic company, has taken on the role of Team Manager after taking some time to understand the requirements of the project. A contract for his services has been set up and is being monitored by the Purchasing Manager, and a Work Package has been agreed. This contract specifies that the photographer must arrange a meeting with the Engineering Manager to establish a schedule for the photographic sessions to minimize the impact on the Engineering staff. This meeting should have occurred a week ago. The photographic sessions are scheduled to take place in two days’ time.

The Engineering Manager was made aware of this requirement. However, when asked by the Project Manager, he reported that he had received no communication from the photographer. The Project Manager has tried to call the photographer and has had no response. The Project Manager believes there is a risk that Portraits Ltd are overbooking work and prioritizing other clients’ work. If Portraits Ltd do not deliver on schedule the project will be delayed and the expected benefits will be reduced.

The contract is to be reviewed and Portraits Ltd reminded of their agreement.
Case Study - 1

Question 6: Plans Theme - Additional Information

**Product Summary**

A list of customers will be collated. This will use existing information from the Accounts department about current customers, and existing information from the Marketing department about prospective customers.

Using the tariff of mailing costs available from the Post Office, a production cost forecast will be produced to allow the CEO and the Marketing Director to decide whether to continue with the project. If they decide to continue, they will give the approval to launch the internal label design competition. Competition rules will be drawn up and details of the competition will be communicated to staff. The label design will then be chosen from the competition entries.

The photographs for the calendar must be based on existing photograph design ideas available from the Marketing department. Designs for each month will be created to show the required layout of each page.

Additional Information continues on next page.
Case Study - 1

Question 6: Plans Theme - Additional Information

Extract from Stage Plan for stage 3.
(All entries are true statements but may not be shown under the correct heading or in the correct document).

<table>
<thead>
<tr>
<th>Plan description</th>
<th>1. Stage 3 is the final stage of the project and will deliver the photographs, the label design competition entries, the winning label design and the prepared calendar pack.</th>
</tr>
</thead>
</table>
| Plan prerequisites | 2. Increase in orders and improved company image.  
3. The production cost forecast must be acceptable to the Project Board if the photography and the label design competition are to go ahead.  
4. The customer list is accurate and complete. |
| External dependencies | 5. A separate project has been reviewing the company's branding. The company logo, required for the label design competition, is being updated. The new company logo is to be supplied by the other project in two weeks’ time.  
6. Customer details will be supplied from the Accounts department and the Marketing department customer databases for the customer list.  
7. The label design must contain the new company logo. |
| Planning assumptions | 8. A suitable entry will be received from the label design competition.  
9. The photographic session schedule created two weeks ago correctly reflects the availability of the engineering staff.  
10. Each photograph must feature different members of the Engineering team. |
| Monitoring and control | 11. The Project Plan is to be updated with actuals throughout the stage.  
12. A Highlight Report will be created every two weeks.  
13. The Stage Plan will be reviewed at the end of each day, to assess forecast against actuals.  
14. Product Status Accounts will be produced by Project Support, at the request of the Project Manager, to summarize current and historical data concerning each of the project’s products. |
| Budgets | 15. Cost £5,000 for specialist products  
16. Time 4 weeks  
17. Risk £0 |
Question Number 1  
Syllabus Area Business Case Theme

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Case Theme</td>
<td>1</td>
<td>A</td>
<td>7</td>
</tr>
</tbody>
</table>

Using the Project Scenario and the additional information provided for this question in the Scenario Booklet, answer the following 7 questions.

Each question provides a list of true statements about the Calendar project, but only 2 statements are appropriate entries for that heading of the Business Case.

Remember to limit your answers to the number of selections requested in each question.

1. Which 2 statements should be recorded under the Reasons heading?

A. The Marketing department believes that sending a promotional calendar to current and prospective customers will increase orders by at least 10%.

B. 10% of customers have not re-ordered in this financial year.

C. 1,500 orders are expected, each with an average profit of £2,000.

D. The Marketing department believes that the effect of a good company image, portrayed by a successful calendar, will last into a second year.

E. MNO Manufacturing is experiencing a reduction in orders numbers due in part to the increased marketing activities of its competitors.
2. Which 2 statements should be recorded under the **Business options** heading?

A. Produce a promotional calendar as a free Christmas gift to current and prospective customers.
B. Use a professional photographer to create the photographs for the calendar.
C. Create the photographs for the calendar internally.
D. Outsource the creation of the calendar to a professional marketing company.
E. Do nothing.

3. Which 2 statements should be recorded under the **Expected benefits** heading?

A. Increase orders by at least 10% with a minimum of 10 further orders from the list of prospective customers within 12 months.
B. The calendar will be similar to calendars sent out in previous years.
C. The marketing department believes that the benefits of a good company image, as portrayed by a successful calendar, will last into a second year and bring the same increase in orders.
D. The calendar will contain photographs of both staff and company products.
E. The Marketing department wants a very high quality, glossy product as they believe this will be more appealing to customers.

4. Which 2 statements should be recorded under the **Expected dis-benefits** heading?

A. A high quality, glossy product will involve additional costs.
B. Individuals in the engineering team who are not selected to appear in the calendar photographs will become de-motivated.
C. The calendar may not result in the expected 10% increase in orders.
D. As the Calendar project is a priority for the MNO Manufacturing Company, the delivery of other projects within the Marketing department will be delayed.
E. The calendar may not result in the 10 further orders from the list of prospective customers in 12 months.
5. Which 2 statements should be recorded under the **Timescale** heading?

A. Benefits will be lost if the project is not completed on time.
B. A recruitment campaign to fill the existing staff vacancies will need to take place in the next 12 months.
C. Additional 10% increase in orders in year two.
D. The prepared calendar pack must be delivered by the first week in December.
E. The print company requires a 2-week notification period of the calendar pack delivery.

6. Which 2 statements should be recorded under the **Costs** heading?

A. The MNO marketing budget this year is £120,000.
B. The project will be funded from the business marketing budget.
C. 10 further orders with an average profit of £2,000 will deliver a benefit of £20,000 in the first year.
D. The new company logo is estimated to cost £4,000.
E. Project costs are estimated to be a total of £26,500.

7. Which 2 statements correctly define a Business Case risk which should be recorded under the **Major risks** heading?

A. Operational costs will increase as a result of the recruitment campaign.
B. The prepared calendar pack is to be delivered to the print company by the first week in December.
C. If the calendar quality is poor customers will not use it, creating the reverse effect and reducing orders further.
D. If any competitors launch a calendar at the same time this will reduce the impact of the MNO calendar and benefits will be reduced.
E. Staff morale will improve as a result of the promotional calendar.
### Case Study - 1

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Case</td>
<td>1</td>
<td>B</td>
<td>5</td>
</tr>
</tbody>
</table>

Using the Project Scenario and the additional information provided for this question in the Scenario Booklet, answer the following question.

Lines 1 to 5 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Option</th>
<th>Assertion</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>True</td>
<td>True</td>
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<tr>
<td>B</td>
<td>True</td>
<td>True</td>
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<tr>
<td>C</td>
<td>True</td>
<td>False</td>
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<tr>
<td>D</td>
<td>False</td>
<td>True</td>
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<tr>
<td>E</td>
<td>False</td>
<td>False</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Assertion</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BECAUSE The Business Case includes options for the delivery of the chosen solution.</td>
</tr>
<tr>
<td>2</td>
<td>BECAUSE The Business Case is no longer viable if stage tolerances are exceeded during the project.</td>
</tr>
<tr>
<td>3</td>
<td>BECAUSE The outline Business Case contains the reasons why the project is needed and forms part of the Project Brief.</td>
</tr>
<tr>
<td>4</td>
<td>BECAUSE The Benefits Review Plan contains details of benefits reviews to be conducted during the project.</td>
</tr>
<tr>
<td>5</td>
<td>BECAUSE Only those benefits that can be measured in financial terms should be defined in the Business Case.</td>
</tr>
</tbody>
</table>
Question Number 2

Syllabus Area Organization Theme

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Theme</td>
<td>2</td>
<td>A</td>
<td>7</td>
</tr>
</tbody>
</table>

The following 7 questions include true statements about an individual from the project organization. Only 2 statements explain why, in the context of roles and responsibilities within a PRINCE2 organization structure, the individual is a suitable candidate for that role.

Remember to limit your answers to the number of selections requested in each question.

1. Which 2 statements explain why the Marketing Director would be appropriate as the Executive for this project?

A. She has been with the company for three years.
B. She previously had a successful career in publicity.
C. She is able to represent the business needs of MNO Manufacturing.
D. She has authority to commit the marketing budget, from which the project will be funded.
E. She requires more experience working with the engineering industry.

2. Which 2 statements explain why the CEO would be appropriate as the Executive for this project?

A. He started the company 25 years ago.
B. He knows his job very well.
C. He restricts his visits to the engineering area.
D. He has the authority to commit resources as required.
E. He has an overall perspective of the business's strategic requirements.
3. Which 2 statements explain why the Marketing Director would be appropriate in a Senior User role for this project?

A. She can represent the Marketing department.
B. She previously had a successful career in publicity.
C. The marketing department will help to deliver the benefits of this project.
D. The project will be funded from the business marketing budget.
E. A number of the products will be produced by the Sales department and the Marketing department.

4. Which 2 statements explain why the Sales Manager would be appropriate in a Senior User role for this project?

A. He joined the company last year with huge enthusiasm.
B. He would like to move into the Marketing department in the future and sees this as an opportunity to work closely with the Marketing Director.
C. The launch of a company calendar will impact the Sales department.
D. He reports directly to the Marketing Director.
E. He is able to represent current and prospective customer interests.

5. Which 2 statements explain why the Purchasing Manager would be appropriate in a Senior Supplier role for this project?

A. He is responsible for advising on the acceptance methods to be included in supplier contracts.
B. He will procure the resources and materials required for the project's products.
C. He was an engineer and worked in that area before taking up his current position.
D. He can influence the external supplier's Business Case.
E. He is not appropriate for the role of Executive or Senior User.
6. Which 2 statements explain why the Sales Manager would be appropriate in a user assurance role for this project?

A. He joined the company last year with huge enthusiasm and is keen to increase sales.
B. He can provide an evaluation of the potential impact the calendar will have on sales.
C. He is able to advise on suitable stakeholder engagement of current and prospective customers.
D. He would like to move into the Marketing department in the future and sees this as an opportunity to work closely with the Marketing Director.
E. He can resolve any conflict in requirements between the Sales department and the Marketing department.

7. Which 2 statements explain why Central Records would be appropriate in a Project Support role for this project?

A. They have knowledge of specialist tools and techniques that are required for this project.
B. The department already exists within the organization and its staff members have been with the company for many years.
C. They will ensure compliance with all company policies and procedures.
D. They perform a quality assurance function across all projects.
E. They have knowledge of the organizational standards that will be applicable to the project.
Using the additional information provided for this question in the *Scenario Booklet*,
answer the following question.

Lines 1 to 5 in the table below consist of an assertion statement and a reason statement.
For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

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<td>C</td>
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<td>True</td>
</tr>
<tr>
<td>E</td>
<td>False</td>
<td>False</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assertion</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Executive role should be shared by the CEO and the Marketing Director.</td>
</tr>
<tr>
<td></td>
<td>BECAUSE The Executive is responsible for securing the funding for the project.</td>
</tr>
<tr>
<td>2</td>
<td>The Senior User role should be shared by the Marketing Director and the Engineering Manager.</td>
</tr>
<tr>
<td></td>
<td>BECAUSE Those who provide specialist resources to the project development teams should perform a Senior User role.</td>
</tr>
<tr>
<td>3</td>
<td>Bright Lights and Portraits Ltd are both stakeholders on the Calendar project.</td>
</tr>
<tr>
<td></td>
<td>BECAUSE Anyone who can affect a project is a stakeholder on that project.</td>
</tr>
<tr>
<td>4</td>
<td>A single member of Central Records should NOT perform both a Project Support and a Project Assurance role on this project.</td>
</tr>
<tr>
<td></td>
<td>BECAUSE It is necessary to keep Project Support and Project Assurance responsibilities separate.</td>
</tr>
<tr>
<td>5</td>
<td>The Engineering Manager should be included in the Communication Management Strategy.</td>
</tr>
<tr>
<td></td>
<td>BECAUSE The Communication Management Strategy describes the communication tools to be used.</td>
</tr>
</tbody>
</table>
Question Number 3

Syllabus Area Quality Theme

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Understanding the customer’s quality expectations.</td>
<td>A Quality assurance</td>
</tr>
<tr>
<td>2 Approval of the project's products.</td>
<td>B Quality control</td>
</tr>
<tr>
<td>3 Confirmation that corporate management standards and policies are being adhered to.</td>
<td>C Quality planning</td>
</tr>
</tbody>
</table>
An address label is required for the envelope. The design of the label will be selected from entries to an internal label design competition. The winning label design will be included in the prepared calendar pack given to the printing company. The label should be half the size of the selected envelope (+5% / -5%), and use an attractive, large font for the customer’s name and address. The new company logo must be integrated into the label design. The Project Board will be asked to review all entries and select the winning label design.

The information in Column 1 may be entered in the Product Description for the chosen label design. Column 2 is a list of the quality headings (excluding Quality Method) in a Product Description. For each entry in Column 1 decide if it should be included under one of the Product Description headings shown and select the appropriate answer from Column 2.

Each selection from Column 2 can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Half the size of the selected envelope.</td>
<td>A NOT included</td>
</tr>
<tr>
<td>2  Attractive large font.</td>
<td>B Quality criteria</td>
</tr>
<tr>
<td>3  Project Board.</td>
<td>C Quality tolerance</td>
</tr>
<tr>
<td>4  +5% / -5% of the required label size.</td>
<td>D Quality skills required</td>
</tr>
<tr>
<td></td>
<td>E Quality responsibilities</td>
</tr>
</tbody>
</table>
Using the Project Scenario and the additional information provided for this question in the Scenario Booklet, answer the following 5 questions about the Project Product Description.

Remember to limit your answers to the number of selections requested in each question.

1. Which 2 statements apply to the Composition section?

A. Amend entry 2 to 'Selected paper'.
B. Delete entry 3 because this is NOT a major product to be delivered by this project.
C. Move entry 6 to Derivation because this product already exists.
D. Delete entry 7 because these will be produced by the photographer.
E. Add 'Calendars distributed to customers'.

2. Which 2 statements apply to the Derivation section?

A. Move entry 9 to Composition because this is within the scope of the project.
B. Delete entry 10 because this is NOT a source product for this project.
C. Delete entry 11 as this is already correctly shown under Development Skills required.
D. Move entry 12 to Composition, because this is within the scope of this project.
E. Add 'Professional photographer'.

3. Which 2 statements apply to the Development skills required section?

A. Move entry 13 to Composition because the appointment of the photographer is within the scope of this project.

B. Move entry 13 to Derivation because this is a source of information for this project.

C. Delete entry 14 because this skill is NOT required within this project.

D. Delete entry 15 because this skill is NOT required within this project.

E. Add 'Knowledge of Data Protection Legislation'.

4. Which 2 statements apply to the Customer's quality expectations section?

A. Delete entry 16 because this should be shown on the Product Description for the photos.

B. Delete entry 17 because this is beyond the scope of this project.

C. Delete entry 18 because standards should NOT be shown here.

D. Delete entry 19 because this should appear in the Product Description for the calendar and not the Project Product Description.

E. Delete entry 20 because this is an expected benefit and should be recorded in the Business Case.
5. Which 2 statements apply to the **Acceptance criteria** section?

A. Amend entry 21 to ‘Appearance - 12 photographs each showing different members of staff’.

B. Move entry 21 to **Composition** because the photographs are part of the project product.

C. Delete entry 22 because the development of the new company logo is not within the scope of the Calendar project.

D. Move entry 23 to **Derivation** because the Data Protection Legislation already exists.

E. Delete entry 24 because this is NOT a suitable acceptance criteria for this project.
Question Number 4  
Syllabus Area Starting Up a Project + Initiating a Project Processes

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Up a Project + Initiating a Project</td>
<td>4</td>
<td>A</td>
<td>3</td>
</tr>
<tr>
<td>Processes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Column 1 is a list of decisions to be made within the project. For each decision in Column 1, decide whether or not it is made in the Starting up a Project process and indicate in which order the decisions will occur.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Approval of the feasibility study by the Project Board before any work</td>
<td>A Not made in the Starting up a Project</td>
</tr>
<tr>
<td>on the project can commence.</td>
<td>process</td>
</tr>
<tr>
<td>2 Assess which parties should be involved during the project, as</td>
<td>B First</td>
</tr>
<tr>
<td>suggested by previous development projects.</td>
<td></td>
</tr>
<tr>
<td>3 Evaluate possible candidates for Project Manager and decide which</td>
<td>C Second</td>
</tr>
<tr>
<td>should be appointed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>D Third</td>
</tr>
</tbody>
</table>
Using the Project Scenario answer the following 3 questions.

The Project Manager has been asked to prepare the Project Brief for the Calendar project. Each question includes a list of true statements about the project, but only one statement is an appropriate entry for that heading of the Project Brief.

1. Which statement should be recorded under the Project definition heading?

A. This project must interface with the project that is producing a new company logo.

B. The design of the calendar will be derived from the design used to create previous calendars.

C. The calendar will be designed by the internal creative team.

D. A professional photographer will be commissioned to take the photographs.

2. Which statement should be recorded under the Outline Business Case heading?

A. 10% more calendars than required should be printed to allow for any late additions to the list of customers.

B. A production cost forecast will be reviewed by the Project Board to determine whether the project should continue.

C. There has been a reduction in the number of orders due in part to the increased marketing activities of competitors.

D. The Project Board have stated that the project cost tolerance can be used to speed up the project if necessary.

3. Which statement should be recorded under the Project approach heading?
A. The end product of this project will be a prepared calendar pack, ready for printing.
B. The photography for the calendar is to be outsourced to a professional photographer.
C. A production cost forecast, based on the costs for the materials, printing and mailing is to be produced in stage 2.
D. The actual production and distribution of the calendars is not within the scope of this project.

Using the Project Scenario, answer the following 6 questions about the Starting up a Project and the Initiating a Project process.

Decide whether the actions taken represent an appropriate application of PRINCE2 for this project and select the response that supports your decision.

1. When designing the project management team, the Project Manager created a Team Manager role description for the Team Manager role which the professional photographer will perform in stage 3. Is this an appropriate application of PRINCE2 for this project?

A. No, because the professional photographer should create their own role description when they are appointed in stage 2.

B. No, because the professional photographer is external to the corporate organization.

C. Yes, because role descriptions help to identify candidates for each of the project management team roles, and can be used when proposing the most appropriate people for them.

D. Yes, because the Project Manager should create role descriptions for all members of the project management team.

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Up a Project + Initiating a</td>
<td>4</td>
<td>C</td>
<td>6</td>
</tr>
<tr>
<td>Project Processes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. When creating the Project Plan, the Project Manager identified the new company logo as an external dependency. Is this an appropriate application of PRINCE2 for this project?

A. No, because the new company logo should be identified in the Business Case as part of the reasons for undertaking the project.

B. No, because the new company logo should be identified in the Project Plan as an internal dependency.

C. Yes, because the new company logo is required to produce the calendar and is being produced by another project.

D. Yes, because the production of the new company logo will need to be controlled by the Project Manager.

3. During the initiation stage, the Project Manager created the Product Description for the designs for each month. Is this an appropriate application of PRINCE2 for this project?

A. No, because all Product Descriptions should be created during the Managing a Stage Boundary process, when preparing the Stage Plan.

B. No, because it is the Project Product Description that should be created to define what the project must deliver in order to gain acceptance.

C. Yes, because the Project Manager should create Product Descriptions for all of the products to be delivered by the project as part of the Project Plan.

D. Yes, because Product Descriptions for the major products of the project should be created when preparing the Project Plan.
4. When setting up the project controls, the Project Manager identified dates for two end stage assessments, one for each of the management stages following initiation. Is this an appropriate application of PRINCE2 for this project?

A. No, because the Closing a Project process is used at the end of the final stage.

B. No, because there are three stages in this project.

C. Yes, because the Project Manager needs to report how the stage performed and provide an update on the Business Case.

D. Yes, because the Project Board needs to be made aware of these dates so as to ensure its availability.

5. The Project Manager has now completed the Project Plan which contains the Work Packages for each of the project's products. Is this an appropriate application of PRINCE2 for this project?

A. No, because Work Packages should be created during the Starting up a Project process to support the Project Product Description.

B. No, because the Project Plan does not contain the content of each Work Package.

C. Yes, because the tolerance(s) set in the Project Plan are derived from the Work Package tolerance(s).

D. Yes, because the Project Board will require this information in order to set tolerance(s) for the Team Manager(s).
6. At the end of the initiation stage, the Project Manager has updated the Project Plan to show how and when all of the expected benefits of the promotional calendar will be measured and captured. Is this an appropriate application of PRINCE2 for this project?

A. No, because any changes to the Project Plan should be approved by the Project Board.

B. No, because most of the expected benefits will be achieved after the project has closed.

C. Yes, because it is important to define each benefit in quantifiable terms so that measurable improvements can be made.

D. Yes, because the expected benefits of the promotional calendar can be measured during the life of the project.
The project is now in stage 2. The Project Manager has heard about the possibility of a competitor also producing a calendar to be delivered earlier than the target date for this project. There is a threat that the early release of a competitor’s calendar may weaken the impact of the MNO Manufacturing Company calendar, thereby reducing the anticipated benefits of the Calendar project.

Column 1 contains a number of risk responses identified by the Project Manager following an assessment of this risk. Column 2 contains a list of threat response types. For each risk response in Column 1, select from Column 2 the type of response it represents. Each option from Column 2 can be used once, more than once or not at all.
Using the additional information provided for this question in the *Scenario Booklet*, answer the following question.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Option</th>
<th>Assertion</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>True</td>
<td>True</td>
</tr>
<tr>
<td>B</td>
<td>True</td>
<td>True</td>
</tr>
<tr>
<td>C</td>
<td>True</td>
<td>False</td>
</tr>
<tr>
<td>D</td>
<td>False</td>
<td>True</td>
</tr>
<tr>
<td>E</td>
<td>False</td>
<td>False</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Assertion</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The fact that there has been no contact with the photographer should have been raised as an issue.</td>
<td>BECAUSE Any forecast to exceed the agreed stage tolerances should be escalated to the Project Board.</td>
</tr>
<tr>
<td>2 As the person monitoring the contract, the Purchasing Manager would be an appropriate owner for the risk.</td>
<td>BECAUSE A risk actionee should be the person most capable of managing the risk.</td>
</tr>
<tr>
<td>3 The photographer should have raised any concerns about their availability for the work as a risk before accepting the Work Package.</td>
<td>BECAUSE A separate Risk Register should be created for each Work Package to monitor specialist risks associated with the creation of specialist products.</td>
</tr>
<tr>
<td>4 If estimation of the risk shows that it is likely to impact upon time, the Project Manager will need to raise an Issue Report.</td>
<td>BECAUSE When the impact of a risk has been identified, an Issue Report will be required to implement any agreed risk actions.</td>
</tr>
<tr>
<td>5 Regular Checkpoint Reports from the</td>
<td>BECAUSE Checkpoint Reports should</td>
</tr>
<tr>
<td></td>
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<td>---</td>
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</tr>
<tr>
<td>photographer will help the Project Manager manage the risk.</td>
<td>provide early warning of any delay in the photographer’s work.</td>
</tr>
<tr>
<td>6 As a Work Package has been agreed with the photographer, responsibility for the risk will automatically have been transferred to this third party.</td>
<td><strong>BECAUSE</strong> When selecting the most appropriate risk response to take, the best option is usually the least expensive.</td>
</tr>
</tbody>
</table>
Question Number 6  
**Syllabus Area Plans Theme**

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plans Theme</td>
<td>6</td>
<td>A</td>
<td>2</td>
</tr>
</tbody>
</table>

Answer the following 2 questions about plans.

Remember to limit your answers to the number of selections requested in each question.

1. During which 2 activities should a plan be produced?
   A. When a Work Package is authorized, in the Controlling a Stage process.
   B. When preparing for planned closure, in the Closing a Project process.
   C. When a Work Package is accepted, in the Managing Product Delivery process.
   D. When escalating issues and risks, in the Controlling a Stage process.
   E. When planning project closure, in the Managing a Stage Boundary process.

2. Which 2 statements concerning responsibility for creating plans are correct?
   A. The Team Manager is responsible for creating Stage Plans.
   B. The Team Manager is responsible for creating Team Plans.
   C. Project Support is responsible for creating Team Plans.
   D. The Project Board is responsible for creating the Project Plan.
   E. The Project Manager is responsible for creating the Project Plan.
Using the Project Scenario and the Product Summary provided as additional information for this question in the *Scenario Booklet*, answer the following 5 questions about the plan for this project.

Decide whether the statements reflect an appropriate application of the product-based planning technique for this project and select the response that supports your decision.

1. 'Production cost forecast' has been shown as an external product in the product flow diagram.

Is this an appropriate application of product-based planning for this project?

A. Yes, because the 'production cost forecast' is dependent on an external product.

B. Yes, because the 'production cost forecast' is required for making a decision.

C. No, because the 'production cost forecast' is required for making a decision.

D. No, because the 'production cost forecast' is being created within the scope of the plan.
2. 'Tariff of mailing costs' has been shown in the product breakdown structure as a product to be created or modified by the project. Is this an appropriate application of product-based planning for this project?

A. Yes, because the 'tariff of mailing costs' will be used to create the 'production cost forecast'.

B. Yes, because the project costs may change.

C. No, because the 'tariff of mailing costs' is being supplied by the Post Office.

D. No, because the 'tariff of mailing costs' already exists.

3. 'Accounts information' has been shown on the product flow diagram as an external dependency for the 'list of customers'. Is this an appropriate application of product-based planning for this project?

A. Yes, because 'accounts information' is being supplied by the Accounts department.

B. Yes, because 'accounts information' already exists and will be required to produce the 'list of customers'.

C. No, because 'accounts information' already exists and should not be shown on the product flow diagram.

D. No, because the 'accounts information' should be shown as an internal dependency for the 'list of customers'.
4. 'Choose label design' has been shown on the product breakdown structure as a product to be created or modified by the project. Is this an appropriate application of product-based planning for this project?

A. Yes, because the label design will be chosen from entries to the competition.
B. Yes, because the competition entries are within the scope of the plan.
C. No, because 'choose label design' is an activity.
D. No, because the competition entries are external to the scope of the plan.

5. 'Prepared calendar pack' has been shown as the final product on the product flow diagram. Is this an appropriate application of product-based planning for this project?

A. Yes, because 'prepared calendar pack' is the final product of the project.
B. Yes, because all other products are dependent on the 'prepared calendar pack'.
C. No, because the 'prepared calendar pack' should appear as the first product at the top of the product breakdown structure.
D. No, because the calendars still require printing.
Using the Project Scenario and the Extract from Stage Plan for stage 3 provided as additional information for this question in the *Scenario Booklet*, answer the following 5 questions.

The Stage Plan for stage 3 has been produced.

The Engineering Manager insists that there are to be no interruptions to operations whilst photographs are being taken of the engineering staff performing their everyday duties and operating machinery. Two weeks ago the professional photographer produced the photographic session schedule based on the operational staff schedule. The operational staff schedule is produced weekly and maintained by the Engineering Manager.

None of the £500 change budget has been used to date and this is available for the stage.

Remember to limit your answers to the number of selections requested in each question.

1. Which 2 statements apply to the **Plan prerequisites** section?

   A. Delete entry 2 because these are project benefits not prerequisites of the stage.

   B. Delete entry 3 because the production cost forecast is a deliverable of stage 2, not a prerequisite for stage 3.

   C. Delete entry 4 because the customer list is NOT required for stage 3.

   D. Add 'Engineering team must be made available for photographs'.

   E. Add ‘Compliance with the Data Protection Legislation’.
2. Which 2 statements apply to the External dependencies section?

A. Delete entry 5 because the new company logo is being delivered by a separate project and will be detailed in the plans for that project.

B. Move entry 5 to Plan prerequisites because the new company logo will influence the label designs.

C. Move entry 5 to Plan description because the new company logo will be delivered during stage 3.

D. Delete entry 6 because the customer details were used in stage 2 to create the customer list.

E. Delete entry 7 because it should be shown in the Product Description for the label design.
3. Which 2 statements apply to the Planning assumptions section?

A. No change to entry 8 because this cannot be confirmed until all of the label designs entries have been received and an assessment made.

B. Move entry 8 to External dependencies because the label designs are created outside of the scope of the project.

C. Delete entry 9 because the photographic session schedule should have been approved as part of stage 2.

D. Move entry 9 to External dependencies because the photographic session schedule is created by the professional photographer.

E. Delete entry 10 because the inclusion of different members from the Engineering team in each photo should be shown in the Product Description for the photographs.

4. Which 2 statements apply to the Monitoring and control section?

A. Delete entry 11 because this relates to the monitoring and controlling of the Project Plan, not the Stage Plan.

B. No change to entry 12 because this describes how the Project Board will control the stage.

C. Move entry 12 because the Highlight Reports are deliverables of this stage and should be shown under Product descriptions.

D. Delete entry 13 because this is part of the Controlling a Stage process.

E. Delete entry 14 because the Product Status Account is NOT an ad-hoc report. It is produced at the end of each stage to identify any variations between planned status, reported status and actual status of the stage’s products.
5. Which 2 statements apply to the **Budgets** section?

A. Amend entry 15 because it should also include the cost of management activities.

B. Delete entry 16 because timescales should NOT be shown under the heading of budgets.

C. Delete entry 17 because the risk budget should be shown in the Risk Management Strategy.

D. Add ‘Change budget - £500’.

E. Add ‘Cost tolerance - +£6,000 / -£6,000’.
Question Number 7  
Syllabus Area Progress Theme

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
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<tbody>
<tr>
<td>Progress Theme</td>
<td>7</td>
<td>A</td>
<td>6</td>
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</table>

**Using the Project Scenario, answer the following 6 questions about the use of PRINCE2 controls in this project.**

1. At the end of initiation there is +1 week / -2 weeks time tolerance for this project. Which statement is true?

A. There can be no time tolerances for any of the stages.

B. All of the project level time tolerance can be allocated to stage 2.

C. The Stage Plan for stage 2 could create some additional project time tolerance by allowing no time tolerance in Team Plans.

D. Additional time tolerance for the project could be found by adding extra resources without affecting other tolerances.

2. During stage 2, if the Project Manager decides to recommend that the Project Plan is revised to finish three weeks later, which statement is correct?

A. The tolerances stated in the Project Plan CANNOT be changed.

B. The Executive needs to seek formal approval from corporate management to implement this change.

C. The current project must close prematurely and be restarted with a new Project Plan, a new Business Case and new Risk Register.

D. The revision of the Project Plan would have to wait until the end stage assessment of stage 2.
3. During stage 2, an early review of the photograph design ideas from the Marketing department has highlighted the need for engineering machinery to be operating in the background during the photographic sessions. This requires a change to the baselined Product Description for the photographs. What action should the Project Manager take?

A. Log the change in the Issue Register as a request for change.

B. Raise an Exception Report to the Project Board.

C. Revise the Product Description for the photographs and issue it to the Engineering Manager to ensure that the machinery will be operating during the photographic sessions.

D. Include this requirement on the next Checkpoint Report to the photographer.

4. As the project approaches the end of stage 2, the Project Manager has requested a Product Status Account to ensure that all products are at their expected point of development. Although the list of customers has been quality reviewed, it has not been baselined because the Marketing department have not provided all of the prospective customers' details. What initial action should the Project Manager take?

A. Delay producing the End Stage Report until the list of customers has been baselined.

B. Raise an Exception Report to the Project Board to highlight the issue.

C. Check the target sign-off date for the list of customers.

D. Update the product status to 'baselined' and obtain a commitment from the Marketing department to finish this work within the next few days.
5. Whilst identifying the mailing costs for the calendars the Project Manager was surprised to find the costs could vary considerably depending on the size of the package and the delivery service used. For the purpose of this project, the Project Manager has selected an appropriate service but feels that a corporate standard for postage would have reduced the time and effort invested. It could reduce the company's overheads by up to £20,000 per year. How should the Project Manager record this observation within the project?

A. Produce a project mandate, outlining the potential savings to be achieved by the introduction of a corporate standard.

B. Make a note of the observation in the Daily Log to be transferred to a Benefits Review Plan at the end of the project.

C. Record the observation in an Exception Report to the Project Board.

D. Make an entry in the Lessons Log for future consideration by corporate management.

6. The team member collating the list of customers has now forecast that it will NOT be complete by the end of this stage as originally planned, due to a number of new prospective customers' details not yet being available. What action should the team member take?

A. Report the forecast delay in the next Checkpoint Report to the Executive.

B. Add the product to the next Stage Plan in order to allocate additional resources and complete the work.

C. Make an entry in the Risk Register so the Project Manager can decide on appropriate action.

D. Raise an issue to inform the Project Manager.
Using the Project Scenario, answer the following question.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

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<td>B</td>
<td>True</td>
<td>True</td>
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<td>C</td>
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<tr>
<td>E</td>
<td>False</td>
<td>False</td>
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</table>

<table>
<thead>
<tr>
<th>Assertion</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The label design competition should be planned and managed as two</td>
<td>BECAUSE A decision can only be made by the Project Board at the end of</td>
</tr>
<tr>
<td>management stages.</td>
<td>a management stage.</td>
</tr>
<tr>
<td>2 Quality tolerances allocated to the photographs can be used to remedy a</td>
<td>BECAUSE Any forecast threat to cost tolerance should first be resolved by</td>
</tr>
<tr>
<td>forecast threat to cost tolerance.</td>
<td>use of any available quality tolerance.</td>
</tr>
<tr>
<td>3 A suitable point for a stage boundary would be after the production</td>
<td>BECAUSE A stage boundary represents a go/no go decision point.</td>
</tr>
<tr>
<td>cost forecast has been produced.</td>
<td></td>
</tr>
<tr>
<td>4 With +1 week / -2 weeks time tolerance, the project is permitted to</td>
<td>BECAUSE A negative project time tolerance indicates the total permissible</td>
</tr>
<tr>
<td>finish two weeks later than 30 November.</td>
<td>delay to a project schedule before an exception situation occurs.</td>
</tr>
<tr>
<td>5 If the project is forecast to exceed the cost tolerance of +£6,000, the</td>
<td>BECAUSE If the forecast is for project tolerances to be exceeded, the</td>
</tr>
<tr>
<td>Project Manager should send an Exception Report straight to corporate</td>
<td>Project Board no longer has the authority to continue with</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>management.</td>
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<tr>
<td>---</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>6</td>
<td>The production cost forecast should be reviewed by the Project Board during the Directing a Project process to determine whether the project should continue.</td>
</tr>
</tbody>
</table>
Question Number 8  
Syllabus Area Change Theme

<table>
<thead>
<tr>
<th>Syllabus Area</th>
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</thead>
<tbody>
<tr>
<td>Change Theme</td>
<td>8</td>
<td>A</td>
<td>6</td>
</tr>
</tbody>
</table>

**Using the Project Scenario, answer the following question. The Plan for stage 3 has been approved and work has commenced.**

Column 1 contains a number of issues for this project. Select from Column 2 the appropriate category for each issue. Each selection from Column 2 can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Although NOT previously considered, the Engineering Manager now wants to amend the Product Description for the photographs to include images of his latest production machinery.</td>
<td>A. Problem or concern</td>
</tr>
<tr>
<td>2. The Marketing Director feels that the calendar may NOT be of sufficient quality to achieve the projected benefits.</td>
<td>B. Request for change</td>
</tr>
<tr>
<td>3. The Marketing department have identified some new customers and want to include them in the approved list of customers.</td>
<td>C. Off-specification</td>
</tr>
<tr>
<td>4. The photographer has ignored the agreed photographic session schedule. He has interrupted the work of the engineering staff to take the photographs for the calendar.</td>
<td></td>
</tr>
<tr>
<td>5. The chosen label design has been signed-off in error as the old company logo has been used. Inclusion of the new company logo was specified.</td>
<td></td>
</tr>
<tr>
<td>6. The Project Manager has received notification of a postal strike occurring in December.</td>
<td></td>
</tr>
</tbody>
</table>
Case Study - 1

<table>
<thead>
<tr>
<th>Syllabus Area</th>
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<th>Part</th>
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<tbody>
<tr>
<td>Change Theme</td>
<td>8</td>
<td>B</td>
<td>6</td>
</tr>
</tbody>
</table>

**There is a major concern over an apparent lack of control of project documentation.**

For each concern listed in Column 1, select from Column 2 the configuration management task that could help address the problem. Each selection from Column 2 can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 As a number of people are involved in the project it is becoming increasingly difficult to keep track of what documentation each person has.</td>
<td>A. Produce a Product Status Account</td>
</tr>
<tr>
<td>2 Both current and previous versions of the photographic session schedule are in circulation.</td>
<td>B. Maintain a record of all copies Issued</td>
</tr>
<tr>
<td>3 A revised list of customers has been issued but it is not clear what was wrong with the previous one.</td>
<td>C. Record the link between a version and the Issue Report that caused its change</td>
</tr>
<tr>
<td>4 The Marketing department has lost the chosen label design and no copy was made.</td>
<td>D. Notify copy holders of any changes</td>
</tr>
<tr>
<td>5 The Marketing department staff cannot say with any certainty which photographs were approved and which still require work.</td>
<td>E. Recall and archive superseded product copies</td>
</tr>
<tr>
<td>6 The Marketing Director has complained that the accounts information has been changed and that no consideration has been given to the impact this will have on the list of customers.</td>
<td>F. Retain master products, issuing copies only</td>
</tr>
<tr>
<td></td>
<td>G. Maintain records of relationships between configuration items</td>
</tr>
</tbody>
</table>
Question Number 9

Syllabus Area Directing a Project + Managing a Stage Boundary + Closing a Project Processes

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directing a Project + Managing a Stage Boundary + Closing a Project Processes</td>
<td>9</td>
<td>A</td>
<td>6</td>
</tr>
</tbody>
</table>

Using the Project Scenario, answer the following 6 questions. It is now late October and the project is in stage 3. The label design competition has been held and the photos of the staff have been taken. The CEO and Marketing Director still need to choose the winning label design and the 12 photographs for the calendar.

The Executive has learned that two competitors are issuing calendars to MNO’s customers by the middle of November. After analysing the impact of this issue, one of the options the Project Manager has presented to the Project Board is to close the project prematurely. There are a number of key facts relating to this project that would need to be recorded if the project were to be closed early.

Column 1 contains key facts recorded in the project’s Daily Log. For each fact in Column 1, select from Column 2 the activity within the Closing a Project process, which, if applied appropriately, should capture this fact. A selection from Column 2 may be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  The staff photographs are suitable for use in future promotional materials. The photographer will be asked to provide all photographs into a useable format before this Work Package is approved.</td>
<td>A Prepare planned closure.</td>
</tr>
<tr>
<td></td>
<td>B Prepare premature closure.</td>
</tr>
<tr>
<td>2  Staff photographic sessions were disruptive to the Engineering Department as they had been scheduled</td>
<td>C Hand over products.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>3</td>
<td>If anybody has any remaining resource costs to be charged to the project, they should ensure this is done by 10 November.</td>
</tr>
<tr>
<td>4</td>
<td>The project has not achieved the objectives defined in the Project Initiation Documentation.</td>
</tr>
<tr>
<td>5</td>
<td>Staff morale will be further affected if a winning label design is not selected and announced. This should be completed before the project is closed.</td>
</tr>
<tr>
<td>6</td>
<td>The risk of a competitor producing a calendar at the same time was identified at the beginning of the project but the assessment and management of this risk was poor.</td>
</tr>
<tr>
<td></td>
<td>D Evaluate the project.</td>
</tr>
<tr>
<td></td>
<td>E Recommend project closure.</td>
</tr>
</tbody>
</table>
## Case Study - 1

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directing a Project + Managing a Stage Boundary + Closing a Project Processes</td>
<td>9</td>
<td>B</td>
<td>6</td>
</tr>
</tbody>
</table>

### Using the Project Scenario, answer the following question.

The Calendar project was delivered as originally planned, and is now preparing for planned closure.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Option</th>
<th>Assertion</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>True</td>
<td>True AND the reason explains the assertion</td>
</tr>
<tr>
<td>B</td>
<td>True</td>
<td>True BUT the reason does not explain the assertion</td>
</tr>
<tr>
<td>C</td>
<td>True</td>
<td>False</td>
</tr>
<tr>
<td>D</td>
<td>False</td>
<td>True</td>
</tr>
<tr>
<td>E</td>
<td>False</td>
<td>False</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assertion</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Whether the calendar achieves its objective of countering the decline in orders will be confirmed in the Closing a Project process.</td>
<td>BECAUSE The Benefits Review Plan is created in the Closing a Project process.</td>
</tr>
<tr>
<td><strong>2</strong> A formal quality review meeting, chaired by the Project Manager, should be held for the Project Board to compare the final deliverable against the Project Product Description.</td>
<td>BECAUSE The Project Product Description is used by the Closing a Project process to verify that the project has delivered what was expected of it.</td>
</tr>
<tr>
<td><strong>3</strong> The End Project Report must be completed before 30 November.</td>
<td>BECAUSE An End Project Report should be produced before a project closes.</td>
</tr>
<tr>
<td><strong>4</strong> The Stage Plan for stage 3 should contain details of the products to</td>
<td>BECAUSE Closure activities should be planned as part of the Stage Plan</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Case Study - 1</strong></td>
<td></td>
</tr>
<tr>
<td>be created or updated during the Closing a Project process.</td>
<td>for the final management stage.</td>
</tr>
<tr>
<td>5</td>
<td>As part of the handover of the final product, a contract should be agreed with Marketing for ongoing support of this product.</td>
</tr>
<tr>
<td>6</td>
<td>At the end of stage 3, the Managing a Stage Boundary process should be used to update the Project Plan with actuals from the final stage.</td>
</tr>
</tbody>
</table>
Case Study - 2

Project Scenario
The Restructuring Project (Note: The companies and people within the scenario are fictional.)

A government department, the Ministry of Food Hygiene (MFH), faces increasing pressure to cut costs, and deal with the problems caused by inadequate internal controls and outdated technology.

External consultants were employed from Teamtech, a recruitment agency that provides specialist resources to government departments. These consultants conducted a feasibility study to identify options for addressing the problems. The following options were considered:

- Do nothing
- Restructure selected business functions
- Shut down selected business functions and contract external suppliers to provide these services.

The feasibility study concluded that there was a case for restructuring the services currently delivered by two business functions: Facilities (responsible for maintenance of buildings and grounds) and Information Technology (IT). The recommendations were:

- Restructure Facilities services and reduce the number of Facilities staff by 20%.
- Restructure IT services and replace the existing IT system with a new hardware and software solution.

The feasibility study contained a high-level summary of the existing Facilities staffing structure and the existing IT system, plus an outline Business Case for the required project. The external consultants from Teamtech also made the following recommendations for the management of the project:

- Use PRINCE2
- Set up the project with 4 management stages:
Case Study - 2

- Stage 1: Standard PRINCE2 initiation activities
- Stage 2: Create a detailed design for the future Facilities staffing structure and a specification of the new hardware and software solution. Prepare a contract for the supply and installation of the new hardware and software solution
- Stage 3: Create request for tender and evaluate proposals. Select supplier and agree contract
- Stage 4: Implement the new Facilities staffing structure, install new hardware and software solution, and run a trial period.

Initial estimates indicated that the project would cost £2.5m and take two years to complete. There is an expected saving of £20m over 10 years. MFH senior management accepted the recommendations as a basis for the project. However, any event that may result in a loss of MFH data must be escalated to them immediately.

The Restructuring project has completed the Starting up a Project process and is now in the initiation stage. Owing to the strategic importance of the project, the MFH Chief Executive Officer has taken the role of Executive. A PRINCE2-experienced Project Manager has been appointed from within MFH. Staff within the business functions being restructured will work with the external consultants who conducted the feasibility study to create the detailed design and specification.
Case Study - 2

Question 2: Organization Theme - Additional Information

Resources who could be involved in the project:

**Teamtech Account Manager:** He represents Teamtech, a recruitment agency that provides specialist resources to government departments. Teamtech provided the consultants who carried out the feasibility study. They will not be developing any of the project’s products. However, the same consultants will be made available for support and guidance to the Information Technology and Facilities teams during the Restructuring project.

**Chief Finance Officer:** She was transferred from Information Technology 12 months ago. She is responsible for ensuring a cost-effective approach is adopted in all operational and project activities across the Ministry of Food Hygiene.

**Hardware Manager:** He reports to the Director of Information Technology. He maintains the computer hardware and software for all business functions.

**Payroll Manager:** He reports to the Chief Finance Officer. He is a very experienced and efficient accountant who is responsible for running part of the Finance Division on behalf of the Chief Finance Officer. He has been involved in drafting the Ministry’s business strategy and assisting in a full business risk assessment. He also drafted the corporate Business Case standards.

**Director of Research and Development:** She manages a large team who are always incredibly busy. Many of her research and development processes require input from the Information Technology and Facilities teams on a daily basis. She has an excellent understanding of what each team requires in order to operate effectively.
Question 3: Quality Theme - Additional Information

**Product Description for the contract**

<table>
<thead>
<tr>
<th>Title</th>
<th>Contract.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>• This agreement specifies the MFH requirements for the supply and installation of a hardware and software solution. It provides measurable criteria against which the selected external supplier's performance will be assessed.</td>
</tr>
</tbody>
</table>
| Composition      | • Responsibilities of MFH and selected external supplier. Mechanisms for monitoring and reporting performance levels.  
|                  | • MFH Dispute resolution process.  
|                  | • Confidentiality provisions.  
|                  | • Conditions for termination of contract.  
|                  | • Glossary of all technical terms contained in the contract. |
| Format and presentation | • A4, Word document, printed both sides in black and white.  
|                  | • Font: Arial, 12pts.                                                   |
| Quality criteria | • Contains all composition items listed above.  
|                  | • Not more than 60 pages.                                               
|                  | • Complies with MFH corporate branding standards.                       
|                  | • No typographical errors.                                             |
| Quality skills required | • Proof-reading skills.                                                |
| Quality responsibilities | • Producer/Presenter: Director of Information Technology.  
|                  | • Chair: Project Manager.                                              
|                  | • Reviewer: Hardware Manager and Chief Finance Officer.                
|                  | • Approver: Chief Executive Officer.                                   |

Additional Information continues on next page continued.

**Quality notes from the Daily Log**
The contract between MFH and the selected external supplier will specify the type and quality of service required. The selected external supplier must follow the industry quality standards for delivering hardware and software solutions.

The MFH quality management system (QMS) has been certified to be in accordance with ISO (International Organization for Standardization) standards. The QMS contains policies and procedures for 80% of MFH business processes. One of these processes covers the production of employment contracts.

The QMS also contains document standards that need to be applied to all documentation. There is no documented change control procedure.

All project documents will be subject to a quality review. Some products will require a formal quality record which is to be signed-off by the quality review chair.

**Extract from the draft Quality Management Strategy (may contain errors)**

**Introduction**
1. This document defines the approach to be taken to achieve the required quality levels during the project.
2. The Project Board will have overall responsibility for the Quality Management Strategy.
3. Project Assurance will provide assurance on the implementation of the Quality Management Strategy.

**Quality management procedure - Quality standards**
4. Industry quality standards for delivering hardware and software solutions.
5. MFH document standards.

**Records**
6. A Quality Register will be maintained to record the planned quality events and the actual results from the quality activities.
7. Configuration Item Records will be maintained for each product to describe its status, version and variant.
8. Quality records for products that require them will be stored in the quality database.

Roles and responsibilities
9. Team Managers will provide details of quality checks that have been carried out.
10. Team Managers will ensure that the Quality Register is updated with the names of team members who are involved in the review process.
11. The Senior User will review the Product Descriptions of the products to be produced by the selected external supplier to ensure that they can be achieved.
Question 7: Change Theme - Additional Information

The project is three weeks into stage 3. There are 41 weeks remaining in this stage. The request for tender has been approved but has not yet been distributed to the list of external suppliers.

The Chief Executive Officer (CEO) of the Ministry of Food Hygiene (MFH) has called an emergency meeting because a new Government initiative to centralize all Facilities services has been announced. All existing projects affecting Facilities services are to stop immediately.

The Project Manager has created an Issue Report as the Restructuring project may need to be de-scoped to remove the restructuring of Facilities services. There is £70,000 in the project’s change budget, +6 weeks / -6 weeks project time tolerance and +£350,000 / -£500,000 project cost tolerance remaining.

Reducing the number of staff in Facilities and updating the MFH hardware and software solution is planned to cost £2.5m. This is expected to deliver a saving in yearly operating costs of £2m, or £20m over 10 years.

The work required to reduce the project scope and deliver just the MFH hardware and software solution would cost £1.25m, and deliver a saving in yearly operating costs of £1m or £10m over 10 years. The timescale of two years will remain unchanged. However, the Project Manager is concerned that the specification for the new software solution was designed to include the requirements of the restructured Facilities processes, not the existing processes.
To remove the restructuring of Facilities services from the Restructuring project would require revision of all those products which relate to the implementation of the new Facilities staffing structure. A full analysis has been done. It is forecast that implementing these changes will delay stage 3 by three weeks and increase the cost of stage 3 by £100,000. There is £54,000 of stage 3 cost tolerance remaining.

The Government initiative to centralize all Facilities services should deliver a saving in operating costs of £15m over 10 years. The Centralization project is estimated to cost £1.5m.
Case Study - 2

Question 8: Progress Theme - Additional Information

The following extract is from the Work Package provided to the IT Team Manager for the installation of a new hardware and software solution provided by the selected external supplier. It was prepared by the Project Manager.

The transfer of data from the existing systems to the new software must occur with minimum disruption to current services. At the same time, the Facilities services will be restructured. During the transfer of data, the IT Team Manager will need to work with the Facilities Team Manager to ensure that their work is synchronized and their products are compatible. Completion of this work is scheduled for the end of week 24 of stage 4.

The project information contained in the document extract below is true, but it may NOT be recorded under the right heading or in the correct document.

Draft Work Package

Techniques, processes and procedures
1. Any threat that may result in a loss of MFH data must be escalated immediately.

Joint agreements
2. Work is to start at the beginning of week 2 (Stage 4).
3. The project will take 2 years to complete, at an estimated cost of £2.5m.

Tolerances
4. None.

Constraints
5. MFH staff must not be involved in any heavy lifting during the removal of existing IT equipment.
6. Installation work must take place during MFH normal working hours.
7. +£10,000 / -£25,000.

Reporting arrangements
8. Highlight Report every Monday by 10.00 am.
9. The report must contain a summary of all products worked on during the previous week.
10. Project Manager must be notified of any issues immediately by telephone.

**Problem handling and escalation**
11. Impact analysis of all issues must be completed within 24 hours.

**Extracts or references**
12. The Stage Plan for stage 4 is available from Project Support.

**Approval method**
13. Project Assurance will review the completed Work Package and confirm completion.
### Case Study - 2

<table>
<thead>
<tr>
<th>Syllabus Area 1</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Up a Project + Initiating a Project Processes</td>
<td>1</td>
<td>A</td>
<td>4</td>
</tr>
</tbody>
</table>

Column 1 contains entries recorded in the Daily Log during the Starting up a Project process. For each entry in Column 1, select the activity, if applied appropriately, where this information should have been captured. Each selection from Column 2 can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Two outsourcing companies have proved to be unreliable on other projects and should not be included as potential service providers.</td>
<td>A. Appoint the Executive and the Project Manager</td>
</tr>
<tr>
<td>2. MFH faces increasing pressure to cut costs, and deal with the problems caused by inadequate internal controls and outdated technology</td>
<td>B. Capture previous lessons</td>
</tr>
<tr>
<td>3. The new hardware will be selected from a choice of commercial off-the-shelf solutions. The software solution will be designed and developed specifically for MFH</td>
<td>C. Design and appoint the project management team</td>
</tr>
<tr>
<td>4. It is assumed that the external Teamtech consultants will be available at the start of the initiation stage.</td>
<td>D. Prepare the outline Business Case</td>
</tr>
<tr>
<td></td>
<td>E. Select the project approach and assemble the Project Brief</td>
</tr>
<tr>
<td></td>
<td>F. Plan the initiation stage</td>
</tr>
</tbody>
</table>
Using the Project Scenario, answer the following 4 questions.

Decide whether the actions taken during the Starting up a Project process represent an appropriate application of PRINCE2 for this project, and select the response that supports your decision.

1. When designing and appointing the project management team, the Project Manager produced a role description for the Executive. Was this an appropriate application of PRINCE2 for this project?

A. Yes, because role descriptions should be created for all Project Board roles.

B. Yes, because the Project Manager is responsible for this activity.

C. No, because the responsibilities of the Executive should be established before this activity.

D. No, because the creation of role descriptions is NOT the responsibility of the Project Manager.
2. When designing and appointing the project management team, the Project Manager recorded the following statement as a risk in the Daily Log: ‘Experience of the Purchasing Officer suggests that delays usually occur when contracts with external suppliers do not include the timescale within which readiness for service is expected’. Was this an appropriate application of PRINCE2 for this project?

A. Yes, because the Daily Log should be used as a repository for project information that is not yet being captured elsewhere.

B. Yes, because the Project Manager is responsible for identifying all risks associated with the appointment of external suppliers.

C. No, because this is a lesson that can be applied to this project and should be recorded in the Lessons Log.

D. No, because all risks should be recorded in the Risk Register.

3. When preparing the outline Business Case, the Executive asked the MFH Chief Finance Officer to set aside £2,500,000 to fund the project. Was this an appropriate application of PRINCE2 for this project?

A. Yes, because the Executive is responsible for securing project funding.

B. Yes, because all project funding must be available before the project can be authorized.

C. No, because the full cost of the project is not yet known.

D. No, because this activity is the responsibility of the Project Manager.
Case Study - 2

4. When preparing the Initiation Stage Plan, the Project Manager defined the reporting and control arrangements to be applied for the duration of the project. Was this an appropriate application of PRINCE2 for this project?

A. Yes, because two of the principles of PRINCE2 are 'manage by stages' and 'continued business justification'.

B. Yes, because monitoring and control of the project enables the assessment of ongoing viability.

C. No, because this is the role of the Executive.

D. No, because the reporting and control arrangements in the Initiation Stage Plan should be for the initiation stage.
Using the Project Scenario, answer the following 4 questions about the Initiating a Project process.

Decide whether the actions taken by the Project Manager represent an appropriate application of PRINCE2 for this project and select the response that supports your decision.

1. The Project Manager decided to delay the creation of the Risk Management Strategy until stage 4, when the selected external supplier's risk management procedures can be used. Is this an appropriate application of PRINCE2 for this project?

A. Yes, because all strategies should be developed using lessons from external organizations.

B. Yes, because the selected external supplier will be the owner of all project risks associated with the specialist deliverables.

C. No, because effective risk management should be performed throughout the life of the project.

D. No, because the supplier is external to the corporate organization.
2. While preparing the Configuration Management Strategy, the Project Manager decided to recommend that the selected external supplier be authorized to approve and implement all changes. Is this an appropriate application of PRINCE2 for this project?

A. Yes, because the selected external supplier will be delivering products for this project.

B. Yes, because it is the role of the Senior Supplier(s) to safeguard the integrity of the completed solution.

C. No, because the selected external supplier does NOT represent the users.

D. No, because the Change Authority should be independent of the project.

3. While preparing the Quality Management Strategy, the Project Manager noticed that the corporate quality management system does not specifically cover project management. The Project Manager has asked Project Assurance for their advice. Is this an appropriate application of PRINCE2 for this project?

A. Yes, because Project Assurance is responsible for checking that the Quality Management Strategy meets the needs of the Project Board.

B. Yes, because Project Assurance is responsible for specifying the customer’s quality expectations and acceptance criteria for the project.

C. No, because the Project Manager should update the corporate quality management system with the missing project management processes.

D. No, because Project Assurance reports directly to the Project Board.
4. The Project Manager has recommended that Exception Reports should be sent to MFH corporate management when any level of tolerance is forecast to be exceeded. Is this an appropriate application of PRINCE2 for this project?

A. Yes, because any forecast to exceed tolerance should be escalated to the next level of management.

B. Yes, because corporate management sets the overall tolerance levels for the project.

C. No, because project controls should be recorded in the Configuration Management Strategy.

D. No, because any forecast deviation from tolerance should be escalated to the next level of management.

Question Number 2

Syllabus Area Organization Theme

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Theme</td>
<td>2</td>
<td>A</td>
<td>6</td>
</tr>
</tbody>
</table>

Using the Project Scenario, answer the following 6 questions.

Each question proposes alternative candidates for a role, supported by a true statement about each. Select the 2 suggestions which, in the context of PRINCE2 recommended roles and responsibilities, provide an appropriate evaluation of, or alternative to, the candidate originally proposed for that role. Remember to limit your answers to the number of selections requested in each question.
Case Study - 2

1. The Chief Executive Officer has been appointed to the role of Executive for this project. Which 2 suggestions are appropriate for this appointment?

A. Retain because he accepts that restructuring is the best solution.
B. Replace with 'Chief Finance Officer' because she can ensure a cost-effective approach to the project.
C. Retain because he has the right level of authority to be able to control the strategic nature of the Restructuring project.
D. Add 'Chief Finance Officer' because she understands the operational environment.
E. Replace with 'Payroll Manager' because he is a very experienced and efficient accountant.

2. The Teamtech Account Manager has been appointed to the role of Senior User for this project. Which 2 suggestions are appropriate for this appointment?

A. Retain because he provides the specialist resources required to support the project.
B. Replace with 'Director of Research and Development' because she deals with Information Technology and Facilities and can make sure the user's needs are specified.
C. Replace with Teamtech consultant because they interface directly with the users.
D. Add 'Hardware Manager' because he maintains computer hardware for all business functions.
E. Retain because he will be providing support to the Facilities team during the project.
3. The Director of Information Technology has been appointed to the role of Senior Supplier for this project. Which 2 suggestions are appropriate for this appointment?

A. Retain because she is responsible for the design of the future Information Technology working practices.

B. Add 'Director of Facilities' because he is responsible for designing the future Facilities staffing structure.

C. Add 'Hardware Manager' because the outcome of the project will have an impact on him.

D. Remove because she only represents Information Technology.

E. Replace with 'Director of Facilities' because he supports the initiative

4. The Payroll Manager has been appointed to the role of Business Project Assurance for this project. Which 2 suggestions are appropriate for this appointment?

A. Remove because the project will have an impact on him and he therefore represents a user.

B. Replace with 'Project Manager' because this is a simple project that does not require additional assurance.

C. Add 'Teamtech Consultants' because they carried out the feasibility study.

D. Add 'Chief Finance Officer' because she is responsible for checking that any supplier and contractor payments are authorized.

E. Retain because he is familiar with the Ministry of Food Hygiene business strategy, the business level risk assessment and the Business Case standards.
Case Study - 2

5. The Director of Facilities has been appointed to the role of Supplier Project Assurance for this project. Which 2 suggestions are appropriate for this appointment?

A. Retain because he has a professional facilities management qualification and so is in a position to specify the needs of the Facilities staff.

B. Retain because he will be able to advise on many of the products that will enable restructuring to happen, such as the future Facilities staffing structure.

C. Retain because he is well-regarded within the Ministry because of the efficiencies, superb service and savings he has achieved in Facilities services.

D. Add 'Teamtech Account Manager' because he will advise on potential changes and their impact on the integrity of the project's products.

E. Remove because he is involved with the project and is therefore NOT independent.

6. Both the Director of Research and Development and the Hardware Manager have been appointed to the role of User Project Assurance for this project. Which 2 suggestions are appropriate for this appointment?

A. Retain because they are both very positive about restructuring the selected business functions.

B. Retain because they can ensure that user liaison is functioning correctly.

C. Remove because neither of these individuals are from the business functions to be restructured.

D. Retain because selecting only one of them may cause unnecessary conflict.

E. Retain because they can advise on the impact of potential changes.
Using the Project Scenario and the additional information provided for this question in the Scenario Booklet, answer the following question about roles on the Restructuring project.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

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<thead>
<tr>
<th>Option</th>
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<tr>
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</tr>
<tr>
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<td>False</td>
</tr>
<tr>
<td>D</td>
<td>False</td>
<td>True</td>
</tr>
<tr>
<td>E</td>
<td>False</td>
<td>False</td>
</tr>
</tbody>
</table>
### Case Study - 2

<table>
<thead>
<tr>
<th></th>
<th>Case Study 2</th>
<th>BECAUSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Teamtech Account Manager should be appointed as a Senior Supplier for the project.</td>
<td>Senior Suppliers are responsible for the provision of supplier resources.</td>
</tr>
<tr>
<td>2.</td>
<td>The Chief Finance Officer would be an appropriate choice for the role of a Senior Supplier.</td>
<td>The Senior Supplier must demonstrate that the forecast benefits are realized.</td>
</tr>
<tr>
<td>3.</td>
<td>It would be appropriate for the selected external supplier, who was selected in stage 3, to be represented on the Project Board by a Senior Supplier in stage 4.</td>
<td>The Senior Supplier is responsible for assessing the viability of the project approach.</td>
</tr>
<tr>
<td>4.</td>
<td>The Project Manager would be an appropriate choice for the role of Project Support.</td>
<td>Project Support is responsible for ensuring that the desired outcome of the project is specified.</td>
</tr>
<tr>
<td>5.</td>
<td>The Hardware Manager would be an appropriate choice for the role of Senior Supplier.</td>
<td>The Senior Supplier is accountable for the quality of the products delivered by the supplier(s).</td>
</tr>
<tr>
<td>6.</td>
<td>The Payroll Manager would be an appropriate choice to provide business assurance.</td>
<td>Business assurance should be undertaken by someone with an accountancy qualification.</td>
</tr>
</tbody>
</table>
Question Number 3
Syllabus Area Quality Theme

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Theme</td>
<td>3</td>
<td>A</td>
<td>4</td>
</tr>
</tbody>
</table>

Each of the following 4 questions includes a list of true statements about the Restructuring project, but only one statement is an appropriate entry for that heading in the Project Product Description.
1. Which statement should be recorded under the Acceptance criteria heading?

A. The new hardware and software solution should be capable of processing 500% more data than the existing system.

B. Any changes to the project's products must be managed through formal change control.

C. External consultants are to provide guidance on the development of the detailed design for the future Facilities staffing structure.

D. The selected external supplier should be appointed in stage 3.
2. Which statement should be recorded under the Development skills required heading?

A. External consultants are to assist in the creation of the detailed design for future Facilities staffing structure and the specification for the new hardware and software solution.

B. The detailed design for the future Facilities staffing structure will be based on the high-level summary of the existing Facilities staffing structure.

C. The Hardware Manager will accept handover of the new hardware and software solution.

D. The Director of Facilities will be responsible for checking the contract.

3. Which statement should be recorded under the Project-level quality tolerances heading?

A. Facilities staffing numbers are to be reduced by 20% and all Facilities services restructured.

B. Facilities staff should be restructured as soon as possible to avoid the chance of industrial action.

C. Increased maintenance costs should be kept to a minimum.

D. To continue to function effectively, a minimum of 15% of Facilities staff should be released, but no more than 25%.
4. Which statement should be recorded under the **Acceptance method** heading?

A. The Director of Information Technology will be responsible for the quality of the new hardware and software solution.

B. The results of the hardware and software trial will be reviewed to confirm full functionality before accepting handover of the new hardware and software solution.

C. The Hardware Manager will accept handover of the new hardware and software solution.

D. Staff within the business functions being restructured will work with the external consultants who conducted

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<tr>
<td>Quality Theme</td>
<td>3</td>
<td>B</td>
<td>4</td>
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**Using the Project Scenario and the Product Description provided as additional information for this question in the *Scenario Booklet*, answer the following question.**

The Director of Information Technology is responsible for producing the contract for the supply and installation of the hardware and software solution. The Work Package does not contain any other products and has a tolerance of +2 days / -2 days. The contract has been produced on target and the quality review meeting is taking place.

The following 4 entries have been included in the consolidated question list or raised at the meeting. Select the appropriate action which should now be agreed by the review team to deal with each entry.

1. Although it is not specified in the current corporate branding standards, the MFH corporate logo should be shown on the front page of the contract.
A. Agree to amend this within the remaining +2 days tolerance.

B. Raise an issue (off-specification).

C. Raise an issue (request for change).

D. Accept this as a concession.

2. The contract is not printed in colour.

A. Agree to redesign the contract within the remaining +2 days tolerance.

B. Raise an issue (off-specification).

C. Accept this as a concession.

D. No action required.

3. The contract contains a technical term that is missing from the glossary of terms. This is estimated to take only a few minutes to correct.

A. Agree to add this term into the glossary of terms within the remaining +2 days tolerance.

B. Raise an issue (off-specification).

C. Raise an issue (request for change).

D. No action required.

4. The contract does not contain the MFH dispute resolution process. The addition of this will take one day to complete but it will increase the contract to more than 60 pages.
A. Raise an issue (off-specification).

B. Raise an issue (request for change).

C. Agree to add the MFH dispute resolution process within the remaining +2 days tolerance.

D. No action required.

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<tr>
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Using the Quality notes from the Daily Log and the Extract from the draft Quality Management Strategy provided as additional information for this question in the Scenario Booklet, answer the following 4 questions about the Quality Management Strategy.

1. Which statement applies to the **Introduction** section?

A. Delete entry 1 because the project approach is defined in the Project Brief.

B. Delete entry 2 because this is the Project Manager’s responsibility.

C. Delete entry 3 because it is the Project Manager’s responsibility to implement the Quality Management Strategy.

D. Move entry 3 to the **Roles and responsibilities** section because this is a quality responsibility.
2. Which statement applies to the **Quality standards** section?

A. Delete entry 4 because external suppliers are responsible for applying any relevant standards to their work.

B. Delete entry 5 because the lack of a change control procedure makes the MFH document standards unsuitable.

C. Add 'MFH Processes: Production of employment contracts'.

D. Add ‘PRINCE2 change control procedures will be used to manage any changes to baselined products’.

3. Which statement applies to the **Records** section?

A. Delete entry 6 because this information should be included in Stage or Team Plans.

B. Move entry 6 to the **Reporting** section because the information should be used to report on quality activities.

C. Delete entry 7 because this should be included in the Configuration Management Strategy.

D. Delete entry 8 because the results of quality reviews are recorded in the Quality Register.
4. Which statement applies to the Roles and responsibilities section?

A. Move entry 9 to the Records section because this information will be required to create a record of each quality check.

B. Delete entry 9 because this is the responsibility of the quality review chair.

C. Delete entry 10 because only the Project Manager can update the Quality Register.

D. Amend entry 11 because this is the responsibility of Supplier Project Assurance

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<tr>
<td>Plans Theme</td>
<td>4</td>
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</table>

Column 1 is a list of true statements to be included in the Stage Plan for stage 2. Column 2 is a selection of Stage Plan headings. For each statement in Column 1, select from Column 2 the Stage Plan heading under which it should be recorded. Each selection from Column 2 can be used once, more than once or not at all.
### Case Study - 2

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
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<tbody>
<tr>
<td><strong>1</strong> This plan includes the detailed design of the Facilities staffing structure</td>
<td>A. Plan description</td>
</tr>
<tr>
<td><strong>2</strong> A monthly stage status report will be provided to the Project Board.</td>
<td>B. Plan prerequisites</td>
</tr>
<tr>
<td><strong>3</strong> The high-level summary, produced in the feasibility study by the management consultants, will be used by the project.</td>
<td>C. External dependencies</td>
</tr>
<tr>
<td><strong>4</strong> The Project Board has approved the recommendation to reduce the number of staff in Facilities and to implement a new hardware and software solution. This decision must remain in place</td>
<td>D. Planning assumptions</td>
</tr>
<tr>
<td><strong>5</strong> Based on advice from the Ministry of Trade and Industry that, in their experience, drafting a contract is a lengthy process, allowances have been made for this in the Stage Plan for stage 2.</td>
<td>E. Lessons incorporated</td>
</tr>
<tr>
<td><strong>6</strong> Time: +2 weeks / -2 weeks.</td>
<td>F. Monitoring and control</td>
</tr>
</tbody>
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Using the Project Scenario, answer the following question. The project has a cost tolerance of +5% / -5%, of which stage 2 has a tolerance of +£45,000 / -£45,000.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

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### Case Study - 2

1. **If stage 2 exceeds its target by £20,000, the Stage Plan should be replaced by an Exception Plan.**
   **Because**
   When the Stage Plan is updated with activities to deal with any deviations from planned cost and time, this is called an Exception Plan.

2. **The Team Plan required for the development of the contract should be produced in consultation with supplier assurance.**
   **Because**
   Supplier assurance should confirm that Team Plans are in accordance with relevant supplier standards.

3. **The Stage Plan for stage 2 should be prepared during the initiation stage.**
   **Because**
   All Stage Plans are produced near the end of the initiation stage.

4. **A final stage (stage 5), covering project closure, should be added to the Project Plan.**
   **Because**
   Following initiation, the Project Plan covers all subsequent management stages.

5. **The cost tolerance planned for each stage should be +5% / -5%.**
   **Because**
   Project tolerances for cost and time should always be allocated equally between all of the stages.

6. **The key deliverables and estimates from the feasibility study should provide a major input to the Project Brief.**
   **Because**
   The feasibility study should confirm all project costs.

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**Question Number 5**

**Syllabus Area Business Case Theme**

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Case Study - 2

| Business Case Theme | 5 | A | 6 |

Each of the following 6 questions include **true statements** about the Restructuring project, but only 2 statements are appropriate entries for that heading in the project’s Business Case. Remember to limit your answers to the number of selections requested in each question.

1. Which 2 statements should be recorded under the **Reasons** heading?

A. There is an expected saving of £20m over 10 years.

B. Contracting an external supplier to provide services currently delivered by selected business functions would reduce the issues caused by outdated technology.

C. The Ministry of Food Hygiene (MFH) needs to deal with the increasing pressure to cut costs.

D. Reducing staff will mean that no property transfer is required.

E. The inadequate controls and outdated technology must be addressed.
2. Which 2 statements should be recorded under the **Business options** heading?

A. The contracting of an external supplier to deliver selected business functions would not provide the required outcome.

B. The reduction of staff and the updating of technology used in MFH means a re-engineering of existing services will deliver the performance improvements required.

C. Use external consultants to provide guidance on the detailed design of the Facilities staff structure.

D. Set up a PRINCE2 project to deliver the restructured services.

E. Review a list of external suppliers to determine a shortlist of possible external suppliers.

3. Which 2 statements should be recorded under the **Expected benefits** heading?

A. The contract to supply the hardware and software solution, at current prices, will be worth £2m.

B. Updating technology would allow MFH to take advantage of the best hardware and software solutions the market has to offer.

C. The total expected savings over 10 years, at current prices, are £20m.

D. The reduction in staff will enable MFH to reduce costs to agreed levels.

E. The cost of the Restructuring project is £2.5m, but with considerable savings over 10 years.
4. Which 2 statements should be recorded under the **Expected dis-benefits** heading?

A. An investment of £2.5m is required.

B. Staff morale will be negatively affected.

C. The project will take two years to deliver.

D. Staff may lose the opportunity to work in Facilities.

E. It will not be possible to transfer some of the existing MFH data onto the new software solution, requiring data to be held on two systems for a short period.

5. Which 2 statements should be recorded under the **Timescale** heading?

A. The contract with the selected external supplier will be agreed during stage 3.

B. The expected benefits will be realized over a 10-year period.

C. If there is any change to the scope of the services to be restructured, the project timescale will be extended and the realization of benefits will be delayed.

D. The expected benefits should start to be realized as soon as the new hardware and software solutions become operational at the end of stage 4.

E. The detailed design for the future Facilities staffing structure is estimated to take six weeks.

6. Which 2 statements should be recorded under the **Major risks** heading?
A. Due to market conditions, a suitable external supplier may not be found, which may lead to premature closure of the project.

B. Owing to employment contract changes, staff may resist restructuring, which would make it difficult to progress and cause a possible delay to project completion.

C. Existing MFH data may prove difficult to transfer to the new software solution, which would require additional specialist resources, at the expense of the external supplier.

D. The initial estimates, taken from the feasibility study report, indicate that the project will take two years to complete, which means that the business problems would remain for this period.

E. The management stages recommended by the consultants may not be appropriate, which would result in confusion in planning.
Case Study - 2

Using the Project Scenario, answer the following question.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

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<tr>
<th>Assertion</th>
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<tr>
<td>1. The selected external supplier should have their own Business Case for the work they are doing on the Restructuring project.</td>
<td>Because All project costs, including the cost of work carried out by external suppliers on the project, should be included in the customer's Business Case</td>
</tr>
<tr>
<td>2. The cost of managing the hardware and software contract should be included in the Business Case.</td>
<td>Because The information in the Business Case is used to compare the development, maintenance and operational costs with the value of the benefits over a period of time.</td>
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<td>Syllabus Area</td>
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<tr>
<td>Risk Theme</td>
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</table>
Answer the following 6 questions about the project’s Risk Management Strategy. Each question includes a list of statements but, according to PRINCE2, only 2 statements are appropriate entries for that heading in the project’s Risk Management Strategy. Remember to limit your answers to the number of selections requested in each question.

1. Which 2 statements would be appropriate entries under the Risk management procedure heading?

A. When a new problem arises, a full impact analysis will be undertaken to assess the impact on the project’s objectives and Business Case.

B. Probability will be assessed against the scales defined in this Risk Management Strategy.

C. Any risk which has an expected value of more than £1,000 will NOT be registered.

D. Every threat and opportunity identified must be clearly defined in terms of cause, event and effect.

E. 'Reduce' - Response actions which result in a lower impact and/or probability rating.
2. Which 2 statements would be appropriate entries under either the **Records** or **Reporting** headings?

A. Project Support will maintain the Risk Register.
B. The evaluated net effect of all risks will be updated at the end of each stage and included in the End Stage Report.
C. The Change Authority will report monthly to the Project Manager on the status of the change budget.
D. Risks that are likely to occur within the next two weeks should be recorded as imminent.
E. A summary of risks will be maintained and included with the monthly Highlight Reports to the Project Board.

3. Which 2 statements would be appropriate entries under the **Timing of risk management activities** heading?

A. The selected external supplier will manage any risks to their Business Case and report these to the Project Manager.
B. The Project Board should hold monthly meetings to set project-level risk tolerance.
C. At the end of each stage, risk owners will be consulted to check on the status of risk responses.
D. Any new risks identified during product development should be reported to the Project Manager by the Team Manager.
E. When authorizing a stage, the Project Board will check that the exposure to risk is still acceptable.
4. Which 2 statements would be appropriate entries under the **Roles and responsibilities** heading?

A. Each risk will be assigned a risk owner.

B. Risks exceeding the agreed project risk tolerance will be reported to the Project Board.

C. Time tolerances are allocated to each stage by the Project Manager.

D. Project Assurance will ensure that project risks are identified, assessed and controlled according to the agreed risk management procedure.

E. An external consultant is to facilitate a risk identification workshop.

5. Which 2 statements would be appropriate entries under the **Proximity** heading?

A. Proximity categories for this project are: Imminent; Within the stage; Within the project; Beyond the project.

B. The risk of MFH having no restructuring experience will be categorized as Stage 4 proximity.

C. Imminent risks are those which may occur within two weeks.

D. Any risk with a proximity category of imminent will be estimated as having a very high impact.

E. The risk of staff leaving the organization is categorized as 'beyond the project' proximity.
6. Which 2 statements would be appropriate entries under the **Risk tolerance** heading?

A. Any risk whose impact and probability is very high must be escalated to corporate or programme management.

B. Any event that may result in loss of MFH data must be escalated to the Project Board.

C. The Team Manager’s threshold level of risk exposure is low impact and low probability.

D. The cost of all fallback plans must be contained within the project’s tolerance.

E. The risk budget will have a tolerance of +/- 10%.
Case Study - 2

None of the Ministry of Food Hygiene’s (MFH) employees on the project management team has any experience in restructuring, which could lead to difficulties in understanding what is required from a restructuring project and in dealing competently with the selected external suppliers. The result could be a new software solution that does not solve the business problems.

Column 1 contains a number of possible risk responses to the above risk. For each risk response, select from Column 2 the appropriate risk threat response type that it represents. Each selection from Column 2 can be used once, more than once or not at all.
1. Contract a restructuring specialist to take an assurance role in the project, and provide advice to the Project Board and Project Manager.  

2. Include a clause in the contract with the selected external supplier stating that, if the full functionality of the software solution is not delivered, the selected external supplier will reduce their fees accordingly.

3. Hire experienced restructuring contractors to assist MFH staff throughout the project.

4. Rely on the selected external supplier to act in a reliable and conscientious manner to provide the support and advice that will protect MFH’s interests.

5. Request assistance from central government if difficulties arise in understanding what is happening.

6. Identify MFH employees with knowledge or experience in restructuring and include them in the project team.

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<tr>
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PRINCE2® is a Registered Trade Mark of the Office of Government Commerce in the United Kingdom and other countries. Ownership of PRINCE2® belongs to the OGC and is managed by the APMG.
The Ministry of Food Hygiene (MFH) has a quality management system which contains a document control process to manage all documentation requirements. The document control process was created by the MFH Quality Manager, who now maintains all of MFH’s documents and performs an organization wide configuration management role. The MFH Quality Manager will administer the configuration management procedure for the Restructuring project since this must comply with the MFH document control process.

Using the information above, answer the following 2 questions.

1. According to PRINCE2, which statement about the Configuration Management Strategy for the Restructuring project is correct?
   A. Every project needs a Configuration Management Strategy, even if the organization has existing configuration management standards, because every project has different circumstances.
   
   B. The Project Manager should develop a separate Configuration Management Strategy for each of the suppliers working on this project because each will manage and store products differently.
   
   C. A Configuration Management Strategy is unnecessary for this project because the MFH document control process is already documented. This should be referenced in the Quality Management Strategy.
2. According to PRINCE2, which statement about appointing the MFH Quality Manager to administer the configuration management procedure is correct?

A. The MFH Quality Manager should administer the configuration management procedure on this project because this task should always be assigned to corporate or programme management.

B. The MFH Quality Manager should administer the configuration management procedure on one project at a time. If the MFH Quality Manager already performs this task on another project, another individual should be appointed.

C. The MFH Quality Manager would be suitable to perform this task because he is the author of the document control process and is likely to have the knowledge required for this role.

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Using the additional information provided for this question in the Scenario Booklet, answer the following 4 questions about the Project Manager’s response to the potential removal of Facilities services from the scope of the Restructuring project.

1. Having created the Issue Report and analyzed the impact of removing Facilities services from the scope of the Restructuring project, the proposed option exceeds tolerance. What is the next action the Project Manager should consider?

A. Create an Exception Report to inform the Project Board of the situation and the available options.

B. Update the associated Configuration Item Records with details of the Issue Report that caused the change.
Case Study - 2

C. Amend the Stage Plan for stage 3: remove all products related to Facilities services and add the activities required to deliver the new Government initiative.

D. Create an Exception Plan to change all of the project’s products to reflect the exclusion of Facilities services.

2. What will be the impact on project costs?

A. The project costs will increase by £100,000.

B. The project costs will not change.

C. The project costs will reduce to £1.25m.

D. The project costs will reduce to £1.35m.

3. If the decision is made to remove Facilities services from the scope of the Restructuring project, what risk would this introduce to the project?

A. None, because any risk associated with Facilities services will be managed by another project.

B. These changes will delay stage 3 by three weeks.

C. There is only £70,000 left in the project change budget.

D. The specification of the new software solution may not support the existing Facilities processes.
4. What will be the impact on the benefits?

A. Reduced savings, now £10m over 10 years.
B. Increased savings of £5m over 10 years from the new initiative to centralize Facilities services.
C. An additional cost of £1.5m to deliver Facilities services.
D. Restructuring project cost reduced by 50%.

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Using the additional information provided for this question in the *Scenario* Booklet, answer the following question.
The Project Manager has now completed the Issue Report. The situation is now being managed under formal issue and change control.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

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<tr>
<td>1. The de-scoping of Facilities services from the Restructuring project should be treated as a request for change</td>
<td>BECAUSE Any proposal for a change to a project's baseline should be treated as a request for change</td>
<td></td>
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<tr>
<td>2. The Project Manager should now consider alternative options for centralizing Facilities services.</td>
<td>BECAUSE There must be a balance between the advantage to be gained by implementing an option, and the time, cost and risk of implementing it.</td>
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<tr>
<td>3. This situation should be referred to corporate or programme management.</td>
<td>BECAUSE Any forecast deviation beyond agreed tolerance levels should be escalated to the next higher authority.</td>
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<tr>
<td>4. The Stage Plan for stage 3 should be re-issued to the Project Board with all of the products associated with Facilities services removed</td>
<td>BECAUSE The original version of the Stage Plan for stage 3 should be retained for audit purposes</td>
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<tr>
<td>5. An Exception Plan should be presented to the Project Board for them to consider the consequences of the issue and the options available to deal with it.</td>
<td>BECAUSE Only the Project Board can approve deviations beyond project tolerance levels</td>
<td></td>
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<tr>
<td>6. This change should be funded from the remaining £70,000 change budget and the balance of £30,000 taken from the stage cost tolerance</td>
<td>BECAUSE A change budget can be used to implement a request for change, provided its use is within the constraints set by the Project Board</td>
<td></td>
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</table>
Column 1 is a list of **true statements** about the Restructuring project. For each statement in Column 1, select from Column 2 the tolerance area it represents. Each selection from Column 2 can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Column 1</th>
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<tbody>
<tr>
<td>1. The new IT system must include new software but the hardware is a desirable requirement which will be satisfied if funds are available</td>
<td>A. Time</td>
</tr>
<tr>
<td>2. The sale of old hardware is expected to provide a profit of £200,000, +/- 10%.</td>
<td>B. Cost</td>
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<td>C. Scope</td>
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<td>D. Risk</td>
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<td>E. Quality</td>
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<td></td>
<td>F. Benefits</td>
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Using the Draft Work Package provided as additional information for this question in the Scenario Booklet, answer the following 4 questions.

All the statements that add or amend an entry contain true information, but this may be under the wrong heading, or not relevant to the Work Package. Remember to limit your answers to the number of selections requested in each question.

1. Which 2 statements apply to either the Joint agreements or Tolerances sections?

A. Delete entry 2 because this information will be contained in the Stage Plan for stage 4.

B. Delete entry 3 because this information is contained in the Project Plan.

C. Add 'Work is to finish at the end of week 24 of stage 4' to Joint agreements.

D. Add 'The transfer of data to the new software must occur with minimum disruption' to Tolerances.

E. Add 'Facilities Team Manager, with responsibility for restructuring Facilities services' to Joint agreements.

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress Theme</td>
<td>8</td>
<td>B</td>
<td>4</td>
</tr>
</tbody>
</table>
2. Which 2 statements apply to either the Techniques, processes and procedures or Constraints sections?

A. Move entry 1 to Tolerances because this represents a risk tolerance.

B. Move entry 5 to Techniques, processes and procedures because this is a technique which staff should be aware of.

C. Delete entry 6 because this is outside the scope of the Work Package.

D. Move entry 7 to Tolerances because this represents a cost tolerance.

E. Add 'Products must be compatible with those developed by the Facilities Team Manager' to Techniques, processes and procedures.

3. Which 2 statements apply to either the Reporting arrangements or Problem handling and escalation sections?

A. Replace entry 8 with 'Checkpoint Report every Monday by 10.00 am' because Highlight Reports are intended for the Project Board.

B. Delete entry 9 because this level of detail is unnecessary.

C. Move entry 10 to Problem handling and escalation because that section describes how issues are handled.

D. Add 'Any risks identified to be added to the Risk Register' to Reporting arrangements.

E. Delete entry 11 because the impact analysis should be provided when the issue is notified.

4. Which 2 statements apply to either the Extracts or references or Approval method sections?
A. Delete entry 12 because this should be the Team Plan not the Stage Plan.

B. A suitable entry for Extracts or references would be 'Product Descriptions are available from Project Support'.

C. Move entry 13 to Reporting arrangements because this describes how completion will be advised to the Project Manager.

D. Delete entry 13 because this is NOT a Project Assurance responsibility.

E. A suitable entry for Approval method would be 'The Project Manager is to be advised of completion of the Work Package by email'

<table>
<thead>
<tr>
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<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress Theme</td>
<td>8</td>
<td>C</td>
<td>6</td>
</tr>
</tbody>
</table>

At the end of stage 3, the external supplier will be selected and the contract awarded. During stage 4, the selected external supplier will act as a Team Manager to complete the installation of the new hardware and software solution.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Option</th>
<th>Assertion</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>True</td>
<td>True</td>
</tr>
<tr>
<td>B</td>
<td>True</td>
<td>True</td>
</tr>
<tr>
<td>C</td>
<td>True</td>
<td>False</td>
</tr>
<tr>
<td>D</td>
<td>False</td>
<td>True</td>
</tr>
<tr>
<td>E</td>
<td>False</td>
<td>False</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assertion</th>
<th>Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The <strong>Project controls</strong> section of the Project Initiation Documentation should be</td>
<td>BECAUSE The Project Initiation Documentation contains a summary of the project-level</td>
</tr>
<tr>
<td></td>
<td>updated as soon as the external supplier has been selected during stage 3.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>2.</td>
<td>Checkpoint Reports should be used to monitor the external supplier's progress during stage 4.</td>
</tr>
<tr>
<td>3.</td>
<td>Once the external supplier is selected, the Product Description for the selected external supplier should be updated.</td>
</tr>
<tr>
<td>4.</td>
<td>Checkpoint Reports should provide progress updates on the implementation of the new hardware and software solution.</td>
</tr>
<tr>
<td>5.</td>
<td>If they forecast that their Work Package will exceed its tolerance, the selected external supplier should provide an Exception Report for the Project Manager.</td>
</tr>
<tr>
<td>6.</td>
<td>Benefit tolerance should be set in the next Stage Plan for Project Assurance to monitor.</td>
</tr>
</tbody>
</table>
Case Study - 2

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Question Number</th>
<th>Part</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controlling a Stage + Managing Product</td>
<td>9</td>
<td>A</td>
<td>3</td>
</tr>
<tr>
<td>Delivery Processes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Column 1 is a list of actions that occur during the Controlling a Stage process. For each action in Column 1, select from Column 2 the PRINCE2 theme that is being applied. Each selection from Column 2 can be used once, more than once or not at all.

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ensure that each product in a completed Work Package has gained its</td>
<td>A. Business Case</td>
</tr>
<tr>
<td>required approval, as defined in its Product Description</td>
<td>B. Organization</td>
</tr>
<tr>
<td></td>
<td>C. Quality</td>
</tr>
<tr>
<td>2. Carry out an analysis of a potential event that may have a favourable</td>
<td>D. Plans</td>
</tr>
<tr>
<td>impact on the project’s objectives</td>
<td>E. Risk</td>
</tr>
<tr>
<td>3. Define the tolerance within a Work Package to be agreed with a Team</td>
<td>F. Change</td>
</tr>
<tr>
<td>Manager</td>
<td>G. Progress</td>
</tr>
</tbody>
</table>
Column 1 is a list of entries from the Daily Log that were made during stage 4 in the Controlling a Stage process. For each entry in Column 1, select the first management product from Column 2 that should be updated, or created, as a result of the entry. Each selection from Column 2 can be used once, more than once or not at all

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Executive has asked for a minor change to the baselined detailed design document. This change will not affect any other products.</td>
<td>A. Work Package</td>
</tr>
<tr>
<td></td>
<td>B. Team Plan</td>
</tr>
<tr>
<td>2. Staff communication was very useful in getting support from MFH staff who will be affected by the restructuring of Facilities services</td>
<td>C. Issue Register</td>
</tr>
<tr>
<td>3. The Facilities Team Manager requires formal instructions to begin the planned work to implement the future Facilities staffing structure.</td>
<td>D. Stage Plan for stage 4</td>
</tr>
<tr>
<td>4. The selected external supplier is concerned that there are delays with Government departments getting work signed-off after completion.</td>
<td>E. Lessons Log</td>
</tr>
<tr>
<td></td>
<td>F. Project Plan</td>
</tr>
</tbody>
</table>
Stage 4 has started and the Information Technology Team Manager is responsible for the Work Package to implement the new hardware and software solution.

Answer the following 5 questions about the actions the Information Technology Team Manager should take during the Managing Product Delivery process to deal with the events and situations described. Remember to limit your answers to the number of selections requested in each question.

1. While producing the Team Plan to deliver the agreed Work Package, the Team Manager discovered that the representatives assigned to check the products were unsuitable.

Which 2 actions should the Team Manager take in response to this situation?

A. Ask the Project Manager to confirm this information.
B. Discuss the situation with Project Assurance.
C. Advise the Project Manager of this risk.
D. Update the Quality Register with these concerns.
E. Notify the Project Manager by raising an Exception Report explaining why the reviewers are unsuitable.

2. The chair of a quality review meeting advised the Team Manager that, because there were so many major issues, the product had been rejected. The presenter estimated that the corrections would take about two weeks. The re-
assessment of the product will take a further week resulting in a three-week delay. The Work Package only has one-week tolerance. Which 2 actions should the Team Manager take in response to this situation?

A. Ask the reviewers to work overtime to prevent the delay.

B. Ensure that the situation is included in the next Highlight Report.

C. Raise an issue explaining that tolerances are forecast to be exceeded.

D. Advise the Project Manager of the risk that there may be a two-week delay in the delivery of one of the products.

E. Ensure that the Quality Register is updated with the quality review result

3. Two weeks after starting work the Team Manager noticed that each completed product had exceeded its estimated effort by around 10%. If this trend continues the Work Package will exceed its agreed cost tolerance of 5%. Which 2 actions should the Team Manager take in response to this situation?

A. Check the status of the products currently being worked on and analyze the effort expended.

B. Update the Stage Plan by increasing all future work estimates by 10%.

C. Amend the Work Package and ensure that the revised targets are met.

D. Escalate the situation in the next Checkpoint Report.

E. Raise an issue that costs will exceed tolerance if the current trend continues.

4. The Team Manager has received notification that the new hardware and software solution has been installed and completed, but there is a concern that it has not been approved by the appropriate people. Which 2 actions should the Team Manager take to check that the products have been approved as required?
A. Check the Quality Register for the sign-off date on which the quality activity was complete.
B. Check the Product Descriptions to ascertain who should have approved the products.
C. Check the Configuration Management Strategy for product handover procedures.
D. Check the approval method required in the Work Package.
E. Check the Product Descriptions for the quality method required.

5. The Work Package has been in progress for four weeks and has four weeks remaining. The Information Technology Team Manager is concerned that he has no idea what the Facilities Team Manager is doing about preparing to implement the new Facilities staffing structure. He is uncertain about what should be happening.
Which 2 initial actions should the Team Manager take in response to this concern?
A. Notify the Project Manager by raising an Exception Report.
B. Raise this concern in the next fortnightly Highlight Report.
C. Check the Communication Management Strategy to ascertain what records of communications with the selected external supplier are required.
D. Check the Information Technology Work Package for development interfaces.
E. Raise an issue to notify the Project Manager of this concern.
Tips and important points for Practitioner Exam:

1) Just read the project scenario and then start working on the questions. Identify important information given in the scenario related to different themes and processes.

2) Do not read the additional information. Refer to the case study / additional information only when it is required. 80% of the case study questions could be answered without reading the additional information.

3) At least 50-60% of the questions can be answered without referring to the manual.

4) As you read the project scenario, create a high level stage plan diagram.

5) It is important to use the PRINCE2 manual efficiently. To get to the correct page in the PRINCE2 manual, start with the ‘Content’ page.

6) Important pages in PRINCE2 manual
   - Page 86-87 (Types of Risk) (Types of Risk Responses)
   - Page 92 (Type of Issue)
   - Page 95 (Issue and Change Control Procedure)
   - Page 49 (Quality Audit Trail)
   - Page 117 (Key to Process diagrams)
   - First page of each process (Process diagram)
   - Appendix A : Page 235-262 (Management products)
   - Appendix C: Page 269-275 (Roles and Responsibilities)

7) If there are questions on processes, refer only to the first page of the corresponding process.

8) Do not worry and get demoralized if your scores vary during these 2 days.

9) Approach to case study during class: We will work on more concepts than the actual case study.

10) Pay attention to absolute terms like All, None, Never and Only – most of the times, options containing these words will be wrong.

11) Look for relevant keywords in options to separate the odd ones. Most of the times that works. – e.g. If the question is on Risk, look out for the words like ‘may be’ that denote uncertainty in the options.

12) Delegate should be able to differentiate amongst Output, Outcome and Benefits.

13) Delegates should be able to differentiate amongst Risk Cause, Risk Event and Risk Effect.

14) Delegates should be able to differentiate between Customers Quality Expectations, Acceptance Criteria and Quality Criteria.

15) Pay attention to Product Based Planning.
The delegates should draw the above diagram after going through the project scenario and determining the number of stages in the project.

**Hints for solving case study 1 (Calendar Project)**

1) Question 1, Part A, 1st question – Reasons are exact and have happened in the past. They are not beliefs or expectations. Delegates should be able to differentiate between Reasons and Expected Benefits or Dis-benefits.

2) Question 1, Part A, 2nd question – Business options do not include project approach or how to do a project. Delegates should be able to differentiate between Business Options (whether to do the project or not) and Project Approach (how to go on with the selected option, e.g. outsource or in-house).

3) Question 1, Part A, 3rd question – Benefits do not describe the product or how it will be produced.

4) Question 1, Part A, 5th question – Every project has aspects or variables including time, scope and cost, etc. Expectation of not being able to meet the variables should not be included in the business case. The timescale should be for the project and not for individual activities.

5) Question 1, Part A, 6th question – Costs are not expected benefits / dis-benefits.

6) Question 1, Part A, 7th question – Risks are uncertain; look out for options that have terms like ‘if’, ‘believe’, etc.

7) Question 1, Part B – For Reason Assertion type of questions read all the reasons first and mark them as true or false. Read all the assertions and mark them as true or false. Then identify the questions where both assertion and reason are true and determine if the reason justifies the assertion. Reasons are comparatively easy because they are usually generic.

8) Question 2 (Organization Theme), Part A – The project board should have 4 key characteristics –
   a) Authority
   b) Credibility
   c) Ability to delegate
   d) Availability
PRINCE2 does not consider the following parameters as important while determining a project management team –

a) Relationship with your manager
b) Your past experience in the company or industry
c) Your interest in the project
d) Extra time you have at your disposal
e) Qualifications

9) Question 3, Part A – Read page 49, quality audit trail.
10) Question 3, Part C – This type of questions take time to solve. Leave this type of questions to solve at last. (As of now more than 30 questions come in the same format. The delegates should be able to use additional information, main question body and the manual (management products, Appendix A) to answer these types of questions. The trick to solve these questions is to go to the additional information first and read each entry under the given headings one by one and refer to the manual (for that management product) to determine whether that entry is relevant to that particular heading or should it be deleted or moved to another heading or should it be amended. And then only go to the question and start answering.

11) Question 4, Part B, 1st Question – Project definition includes interfaces. It does not include project approach or product description. (Refer manual, Management Products)
12) Question 4, Part B, 2nd Question – Hint: Something happened in the past (This question relates to the Content of Outline Business Case. To answer this question, we should be able to identify the statements that can be entered under the different headings of Outline Business Case, like Reasons, Expected Benefits, Expected Dis-benefits, etc.)
13) Question 4, Part B, 3rd Question – Project Approach usually involves ‘Outsourcing’ or ‘doing in-house’. (How to implement the chosen solution)
14) Question 4, Part C, Question 1 – People cannot create their own role descriptions.
15) Question 4, Part C, 2nd Question – External dependencies are outside the control of the project manager (e.g. delivery of a product from a different project).
16) Question 4, Part C, 3rd Question – Product descriptions for major products are created while preparing the project plan. If necessary, detailed product descriptions are created in the stage plan.
17) Question 4, Part C, 4th Question - Closing a project process is used at the end of the final stage. Closing a project is never a separate stage (Should refer to stage plan diagram created while reading the project scenario).
18) Question 4, Part C, 5th Question – Work packages are created only after stage plans are approved. Work packages contain details of each and every product that has to be produced in a particular stage and as such is not part of the project plan.

19) Question 4, Part C, 6th Question – (Understand the different types of Plans in PRINCE2, their content and purpose.)

20) Question 5, Part A, Questions 1-6- Differentiate between Avoid and Reduce. Both are proactive but in Avoid, we take steps so that the probability of the risk occurring is nil, unlike in reduce. Differentiate between Fallback and Avoid & Reduce. Fallback is a reactive approach while Avoid & Reduce are proactive. Differentiate between share and transfer. Share is pain-gain formula while transfer is when you transfer the financial impact of the risk to a third party. Differentiate between Exploit and Enhance. Both are proactive but in Exploit, we take steps so that the probability of the risk occurring is 1, while in enhance the probability of the risk occurring and the impact of the risk is increased but is not certain.

21) Question 5, Part B, Question 1 – Understand how tolerances are allocated in PRINCE2 and the escalation matrix.

22) Question 5, Part B, Question 2 – Understand the concept of Risk Owner and Risk Actionee.

23) Question 6, Part A, Questions 1 and 2 – Understand when plans are produced and by whom and in which processes.

24) Question 6, Part B, Questions 1-5 – Understand the 4 steps in Product Based Planning.

25) Question 6, Part C, Questions 1-5 – Refer to the bullet point 10. Delegates are required to refer to the manual, management product, Plans, and understand the composition section. They have to identify and understand the statements that will go under the specified headings.

26) Question 7, Part A, 1st Question – Tolerance for one variable, e.g. cost or quality can be used to remedy a threat of tolerance deviation for another variable or aspect but it is not mandatory to use.

27) Question 7, Part A, Question 2 – Refer to point 21.

28) Question 7, Part A, Question 3 – Refer to point 6.

29) Question 7, Part A, Question 3 – Before raising any report, the Project Manager should first check the relevant dates.

30) Question 7, Part B, Question 1 – Delegates should be very careful when words like ‘should’ or ‘must’ or ‘can be’ appear. Look for what PRINCE2 mandates and what PRINCE2 allows you to do.
31) Question 7, Part B, Question 4 – +ve Time tolerance means ‘permissible delay’ after the schedule, and –ve Time Tolerance means the period for which the project is permitted to finish ahead of schedule.

32) Question 7, Part B, Question 6 – Refer to point 12.

33) Question 8, Part A, Questions 1-6 – Refer to point 6.

34) Question 8, Part B, Questions 1-6 – Delegates should understand how the Configuration Item Records are used in a PRINCE2 Project.

35) Question 9, Part A, Questions 1-6- Delegates should understand the difference between Planned Closure and Premature Closure. The differences are in premature closure, we update the Issue Register and then request the Product Status Account for the following additional reasons: to identify the products that are being currently produced, products that are yet to be started, need to be made safe and may be useful to other projects. Agree the means of recovering products.

Hints for solving Case Study 2 - Restructuring Project

1. Question 1, Part A- Questions 1 - 4: Delegates should be aware of the activities carried out in the Starting up a Project process and their outputs.

2. Question 1, Part B- Question1: Delegates should know the project management structure and the specified roles and responsibilities. (Refer Appendix C).

3. Question 1, Part B- Question 2: This is a lesson and as such should be recorded in the Lessons Log. Key word here is “Experience”.

4. Question 1, Part B- Question 3: Refer to bullet point 2. One of the responsibilities of the Executive is to secure funding for the project. (Refer Appendix C).

5. Question 1, Part B- Question 4: Stage plans are prepared for the specific stages. They are not applicable for the entire duration of the project.

6. Question 1, Part C- Question 1: Delegates should know that all the strategies are created by the Project Manager in the Initiation Stage. Strategies are relevant throughout the duration of the project.

7. Question 1, Part B- Question 2: The Change Authority should have proper representation of all the three primary stakeholders - Business, User and Supplier.

8. Question 1, Part B- Question 3: It is the role of the Project Assurance to ensure that the Quality Management Strategy meets the needs of the Project Board/Corporate Management.

9. Question 1, Part B- Question 4: Delegates should be aware of the escalation matrix (Refer to the process chart).
10. Question 2, Part A- Questions 1-6: For such questions, the delegates might need to refer to scenario & additional information (scenario booklet), and appendix C in the manual. PRINCE2 doesn’t give importance to:
- Prior Experience
- Enthusiasm
- Relationships
- Qualification

11. Question 2, Part B- Questions 1-6: For Reason Assertion type of questions read all the reasons first and mark them as true or false. Read all the assertions and mark them as true or false. Then identify the questions where both assertion and reason are true and determine if the reason justifies the assertion. Refer to bullet point 4.

12. Question 3, Part A- Questions 1-4: Refer to bullet point 10 of Calendar Project. Delegates should be able to differentiate amongst Customers Quality Expectations, Acceptance Criteria and Quality Criteria. Question 3, Part B- Questions 1-4: For such questions, the delegates might have to read the additional information provided for the question. Delegates should be aware of the different types of issues (Request for Change, Off Specification and Problem/Concern).

13. Question 3, Part C- Questions 1-4: The delegates should leave this type of questions till the last as it takes time to solve. The delegates will have to refer to the question body, additional information and the manual. For such type of questions, the delegates should be able to refer to the management products in the manual and go through the composition headings and look for the relevant information.

14. Question 4, Part A- Questions 1-6: For such type of questions, the delegates should be able to refer to the management products in the manual and go through the composition headings and look for the relevant information.

15. Question 4, Part B- Questions 1-5: Delegates should be aware of the different types of plans in PRINCE2 when these are created and their composition. Also remember how to approach the assertion and reason type of questions (refer to bullet point 11).

16. Question 4, Part B- Question 6: Delegates should know the composition of Project Brief.

17. Question 5, Part A- Questions 1-6: For such type of questions, the delegates should be able to refer to the management products in the manual and go through the composition headings and look for the relevant information. Refer to bullet points 1-3 of Hints for solving case study 1.

18. Question 5, Part B- Questions 1-6: Delegates should refer to the composition of the Business Case.

20. Question 6, Part B- Questions 1-6: Delegates should be aware of the different types of risk responses (Page 86-87) and differentiate between Avoid and Reduce. Both are proactive, but in Avoid we take steps so that the probability of the risk occurring is nil, unlike in reduce. Differentiate between Fallback and Avoid & Reduce. Fallback is a reactive approach while Avoid & Reduce are proactive. Differentiate between share and transfer. Share is pain-gain formula while transfer is when you transfer the financial impact of the risk to a third party. Differentiate between Exploit and Enhance. Both are proactive, but in Exploit we take steps so that the probability of the risk (opportunity) occurring is 1 (certain), while in enhance the probability of the risk occurring and the impact of the risk is increased but is not certain.

21. Question 7, Part A- Question1: Delegates should understand that all the strategies have to be created by the Project Manager in the Initiation Stage. The corporate standards might give a pointer but since every project is unique, all the strategies have to be created as per the project requirements.

22. Question 7, Part A- Question 2 (refer to bullet point 4).

23. Question 7, Part B- Question1: In case the stage tolerance is forecast to exceed, the Project Manager needs to report to the Project Board. Then an Exception Report is submitted. If required, the Project Board can ask for an Exception Plan which will be submitted by the Project Manager. If the Project Board requests and approves the Exception Plan, it will replace the original Stage Plan. A Stage Plan is never amended; it is always replaced by a new exception plan (if required).

24. Question 7, Part B- Questions 2-4: Delegates should read the project scenario carefully.

25. Question 7, Part C- Question1: Delegates should be aware of the different types of issues (Request for Change, Off Specification and Problem/Concern).


27. Question 7, Part C- Question 3: Refer to the bullet point 11.

28. Question 7, Part C- Question 4: Refer to the bullet point 24.

29. Question 7, Part C- Question 5: Refer to bullet point 11 and 26. In general, Exception Report is used to present the options for dealing with the issues and not the Exception Plan.

30. Question 7, Part C- Question 6: Delegates should understand that Tolerances are not used to fund Changes.

32. Question 8, Part B - Questions 1-4: **Refer to bullet point 10 of the Calendar Project.** Delegates need to refer to the Scenario, Question body and the management product from the manual to answer such questions. In this case, the delegates need to refer to the composition section of Work Package and understand the information given under each heading.

33. Question 8, Part C - Question 1: Refer to the composition section of the PID in the Management Products. PID is updated in the Managing a Stage Boundary at the end of each stage.

34. Question 8, Part C - Question 2: Delegates should be aware of the reporting matrix in PRINCE2.

35. Question 8, Part C - Question 3: Delegates should refer to the composition section of Product Description. Status of a product is recorded in the Configuration Item Record.

36. Question 8, Part C - Question 4: Refer to bullet point 35.

37. Question 8, Part C - Question 5: The team manager can only raise an issue and not the exception report. The project manager can produce the exception report.

38. Question 8, Part C - Question 6: Refer to the bullet point 35. Benefit tolerance is set at the Project Level in the Business Case.

39. Question 9, Part A - Questions 1-3: Delegates should be aware of purpose and objective of each theme.

40. Question 9, Part B - Questions 1&4: When an issue is identified, the first action is to document it in the issue register.

41. Question 9, Part B - Question 2: Experiences and lesson identified from the project is recorded in the Lessons Log.

42. Question 9, Part B - Question 3: Formal instructions to start work is contained in the Work Package. Delegates should be aware of the different management products, and in case of any confusion should be able to refer to the manual (Appendix A).

43. Question 9, Part C - Question 1: Delegates should be aware of the reporting matrix and the roles and responsibilities defined in the Project Management structure. Project Assurance has a responsibility to provide advice on appropriate reviewers.

44. Question 9, Part C - Question 2: The delay is because of work and not because of the review, so, reviewers working overtime do not matter. The team manager produces Checkpoint report and not the highlight report. Since,
it has already happened, it is an issue and not a risk. Quality Register has to be updated with the result of the Quality Review.

45. Question 9, Part C- Question 3- The team manager should not wait for the Checkpoint Report to raise issues.

46. Question 9, Part C- Question 4- Quality Register only provides the details of the quality management activities and not the details of the product approval. Details for the approval will be provided in the Work Package and Product Description.

47. Question 9, Part C- Question 5- The team manager looks at the Work Packages and not the strategies. Development interfaces are the interfaces that should be maintained while developing products. Delegates should understand what an issue is.