

PROJECT MANAGEMENT CONCEPTS (593)

—OPEN EVENT—

REGIONAL – 2014

DO NOT WRITE ON TEST BOOKLET

TOTAL POINTS _____ (500)

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No more than 60 minutes testing time

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1. You are a project manager working on a project to market a new product. The deliverables have been established and the work has begun. A contract to deliver the deliverables has been signed. The customer has phoned you to request additional work to be done. This work will affect the budget but not the schedule of the project. This project has a high priority with your company. What should you do next?
 - a. Do what the customer asks you to do, and add the additional requirements to the original contract
 - b. Refuse the request and send a memo to your management explaining the situation
 - c. Respond to the customer's request by explaining the change procedure and asking that he or she submit a request for change
 - d. Arrange to meet with the project team to discuss this change
2. You are the project manager for a highly visible project. The margin on this project is low, and it is extremely important that the cost estimates for the work be accurate. While reviewing the cost estimates, you notice that one of the estimates for an element in the WBS is 10% higher than two previous projects for very similar work. What should you do?
 - a. Accept the estimate because you trust all of the people on your project team, and they are responsible for estimates
 - b. Reduce the estimate and add the additional budget to the management reserve
 - c. Ask the person responsible for the estimate to explain the difference and bring supporting information to you
 - d. Reduce the estimate and add the additional budget to the contingency reserve
3. You are managing a project in a foreign country. In this country, there is a normal practice for business people to exchange gifts when very large contracts, such as the one you are working on, are signed. The gift is of a greater value than your company's policy allows. You have given a gift of similar value to the customer's representative already. What should you do?
 - a. Take the gift
 - b. Contact your company's management and seek for assistance
 - c. Refuse the gift graciously, explaining your company's policy
 - d. Ask the customer's representative to give the gift to your manager
4. You are the manager of a research group that is developing a new chemical material. You hire a person from a competing company who has a great deal of expertise in this area. The person contributes greatly to the progress of your project. During conversation with the person, you determine that many of this person's ideas were developed by the competing company. What do you do?
 - a. Tell the person that he or she should not mention that the ideas came from another company
 - b. Sign a nondisclosure agreement with this person before he or she leaves your company
 - c. Accept the new ideas
 - d. Investigate the employee for security reasons
5. You are managing a project that is in progress. A large and unexpected problem occurs that will cause a delay in the schedule in excess of the contingency schedule for the project. What should you do?
 - a. Look at other tasks in the schedule, and see which ones should be reduced to allow time for this problem to be solved
 - b. Reduce testing on the completed tasks
 - c. Require mandatory overtime for the project team
 - d. Speak to the stakeholders about getting additional time and budget for the project

6. You are the project manager for a large project. Some members of the project team have come to you and asked that they be permitted to work on a flexible schedule. Some of the other team members feel that it is important that all team members be on site at all times unless they are absent for business reasons. What should you do?
 - a. Turn down the request for flexible time schedules
 - b. Accept the request for flexible time schedules
 - c. Arrange a meeting of the project team members and allow them to decide
 - d. Discuss this problem with your manager and act on the results of the meeting
7. You are the project manager for a project that has high visibility. Your manager wants you to prepare a presentation for him to present at a conference. Most of the material in the presentation will be facts that are the results of your project. Your manager intends to present the material under his own name. Your name will not appear. What should you do?
 - a. Refuse to work on the presentation unless you are listed as a co-author
 - b. Do the work as you were told by your manager
 - c. Present your own presentation
 - d. Meet with your manager's manager and discuss the problem
8. You are managing a project and the customer's engineer visits your facility on an inspection and general getting acquainted tour. During the tour, they make the comment that the parts that are being designed should be in stainless steel instead of plain steel with enamel. What should you do?
 - a. Authorize the change in design to your engineers
 - b. Continue with the present design
 - c. Speak to the visiting engineers and discuss having an informal meeting between your engineers and the visiting engineers
 - d. Ask the visiting engineers to submit a change proposal to the change system
9. Which of the following is the example of a conflict of interest?
 - a. You are the fourth cousin of a vendor supplying parts to a project in your company
 - b. You are the owner of a company that is supplying parts to a project that you are managing
 - c. You receive a gift from a supplier of parts for your project
 - d. A supplier tells you sensitive information in confidence. This allows you to select another supplier for your project
10. You are the project manager for a large project that is completed on time and on budget. The customer and all of the stakeholders are pleased with the results. As a direct result of the successful completion of the project, your manager approves a bonus of \$25,000 for you. There are fifteen members of the project team. One of the people in the project team has been a very low contributor to the project; the other fourteen have all been above standard. What should you do with the money?
 - a. Keep the money yourself; you deserve it and the manager gave it to you
 - b. Divide the money equally among all the team members
 - c. Ask the team members how they would divide the money
 - d. Divide the money equally among the team members except for the substandard team member
11. Decomposing the major deliverables into smaller, more manageable components to provide better control is called:
 - a. Scope planning
 - b. Scope definition
 - c. Scope baselining
 - d. Scope verification

12. One of the members of your project team comes to you and says that he heard that one of the suppliers had given a substantial gift to one of the project team members in hopes that the team member would favor his company with a purchase order. The company was favored with a purchase order for the parts. What should you do?
- Talk to the person and get him or her to give back the gift
 - Investigate the matter completely
 - Cancel the purchase order with the supplier
 - Meet with your manager and discuss the problem
13. Any numbering system that is used to monitor project costs by category such as labor, supplies, or materials, for example, is called:
- Chart of Accounts
 - Work Breakdown Structure
 - Universal Accounting Standard
 - Standard Accounting Practices
14. A person who is involved in or may be affected by the activities or anyone who has something to gain or lose by the activity of the project is called a:
- Team member
 - Customer
 - Stakeholder
 - Supporter

The following should be used for questions 15 through 17.

A project manager is assigned early in the project life cycle. One of the things that must be done is a project justification. Since very little information is known about the project, the estimates are considered to be rough estimates. The following table is the project manager's estimate of the cash flow that will take place over the next five years.

End of the Year	Cash Flow In	Cash Flow Out
1	0	500,000
2	300,000	90,000
3	400,000	100,000
4	100,000	175,000
5	50,000	35,000

15. What is the payback period for this project?
- One year
 - Two years
 - Three years
 - Four years

16. What is the net cash flow at the end of five years?
 - a. \$50,000
 - b. \$60,000
 - c. \$850,000
 - d. \$100,000
17. If the net present value for each of the cash flows were calculated at a 10% interest rate, the net present value cash flow at the end of five years would be:
 - a. Greater than the total cash flow without the net present value applied
 - b. Less than the total cash flow without the net present value applied
 - c. The same as the total cash flow without the net present value applied
 - d. Unable to be calculated with the information supplied
18. A group of related projects that are managed in a coordinated way that usually include an element of ongoing activity is called a:
 - a. Major Project
 - b. Project Office
 - c. Program
 - d. Group of Projects
19. During the full life cycle of the project, a plot of the project's expected expenditure will usually follow a characteristic "S" shape. This indicates that:
 - a. There is a cyclical nature to all projects
 - b. Problems will always occur in the execution phase
 - c. There are high expenditure during closeout
 - d. The bulk of the project budget will be spent in the execution phase
20. A temporary endeavor undertaken to create a new product or service is called a(n):
 - a. New product development
 - b. Project
 - c. Program
 - d. Enterprise
21. A project manager makes a narrative description of the work that must be done for his project. This is called a:
 - a. Project plan
 - b. Control chart
 - c. Statement of work
 - d. Project objective
22. An example of scope verification is:
 - a. Reviewing the performance of an installed software module
 - b. Managing changes to the project schedule
 - c. Decomposing the WBS to a work package level
 - d. Performing a benefit-cost analysis to determine if progress should proceed

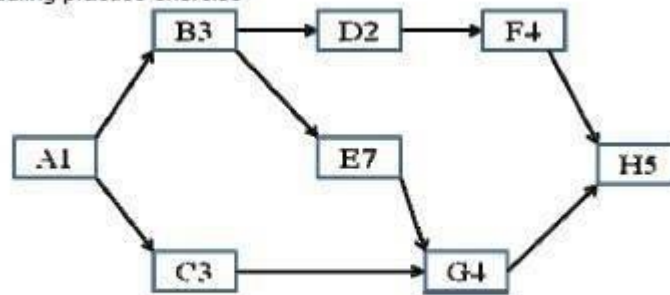
23. The process of establishing clear and achievable objectives, measuring their achievement, and adjusting performance in accordance with the results of the measurement is called:
 - a. Strategic Planning
 - b. Contingency Planning
 - c. Detailed Planning
 - d. Management by Objectives
24. Configuration management is:
 - a. Used to ensure that the description of the project product is correct and complete
 - b. The creation of work breakdown structure
 - c. The set of procedures developed to ensure that project design criteria are met
 - d. A mechanism to track budget and schedule variances
25. A project manager is employed by a construction company and is responsible for furnishing the completed building. One of the first things that the manager should do is to write a:
 - a. Work breakdown structure
 - b. Budget baseline
 - c. Project charter
 - d. Project plan
26. In a work breakdown structure, the lowest level of the breakdown is called:
 - a. Activity
 - b. Task
 - c. Work Package
 - d. Cost Account
27. A project manager is reviewing the scope and the scope baseline of the project. This includes which of the following?
 - a. The original project schedule, budget, and scope
 - b. The original project description and project charter
 - c. The original scope of the project plus or minus any scope changes
 - d. The current budget of the project
28. The document that recognizes the existence of the project is called:
 - a. The Statement of Work
 - b. The Project Assignment
 - c. The Project Charter
 - d. The Product Description
29. The WBS of the project represents:
 - a. All the tangible items that must be delivered to the client
 - b. All the work that must be completed for the project
 - c. The work that must be performed by the project team
 - d. All the activities of the project
30. A manager who manages a group of related projects is called a:
 - a. Project Manager
 - b. Project Expediter
 - c. Program Coordinator
 - d. Program Manager

31. The WBS is typically used for:
- Explaining the scope of the project relevant to the client
 - The basis for organizing and defining the total scope of the project
 - Showing the resource conflicts that exist in the project
 - The logical relationship between tasks in the project
32. There are several phases to a product lifecycle – initiating, planning, execution, and closeout. Which phase is likely to have the greatest amount of its funding spent?
- Initiating
 - Planning
 - Executing
 - Closeout
33. During the course of the project, it is important that the stakeholders be informed of the progress. One of the reports that is frequently used is a Progress Report. Which of the following is true about a Progress Report?
- It allows stakeholders to judge the performance of the project according to its plan
 - It is generally considered to be overkill on very small projects
 - It requires the use of earned value reports
 - It must be produced by the project manager
34. The coordinated undertaking of interrelated activities directed toward a specific goal that has finite period of performance is a:
- Project charter
 - Project
 - Set of project objectives
 - Program
35. The document that is proof of upper management's commitment and gives the authority to the project manager is called:
- The Project Plan
 - The Project Goals and Objectives
 - The Project Charter
 - The Project Definition
36. A project manager works in a company favoring the weakest authority for the project manager; the type of organization that holds the project manager to be the weakest is:
- Projectized Organization
 - Strong Matrix Organization
 - Weak Matrix Organization
 - Balanced Matrix Organization

37. The project manager uses the program evaluation and review technique to evaluate the project schedule. The project manager analyzes the schedule before promising a date to the customer. He decides that based on the PERT calculations, he can promise a delivery date of June 30. The expected value of the project completion date is May 30. If the project manager is willing to accept a 5% probability that the project will be delivered later than June 30, what is the standard deviation of the duration of the activities on the critical path? Assume a five-day workweek.
- a. Ten days
 - b. Fifteen days
 - c. One-half month
 - d. One month
38. A project is proposed to a customer. Price and schedule for delivery are agreed upon. The work breakdown structure is agreed to. The customer requests that one of the milestones be completed by a certain date. The project schedule is reviewed, and it is found that the expected completion date for this milestone is considerably earlier than the date requested by the customer. The date for this milestone is which of the following?
- a. Consideration
 - b. Summary activity
 - c. Constraint
 - d. Suggestion
39. The original scope baseline of the project was budgeted at \$100,000. Since work started, there have been 17 authorized and approved changes. The changes have a value of \$17,000 and the cost of investigating them prior to their approval was \$2,500. What is the current budget?
- a. \$100,000
 - b. \$114,500
 - c. \$117,000
 - d. \$119,500
40. The project manager constructs a work breakdown structure with a budget of \$5 million and a project team of over one hundred persons. The project manager will do the WBS to the detail level of which of the following?
- a. Task
 - b. Activity
 - c. WBS element
 - d. Work package
41. A project has reached the end of planning phase. The work scope has been agreed to and definitive cost estimates have been completed. The total estimated cost of the project is \$100,000. It is reasonable to expect that the project will not cost over which of the following value?
- a. \$100,000
 - b. \$110,000
 - c. \$125,000
 - d. \$175,000

The following information and questions 42 through 50 refer to Figure 1

Figure 1. Scheduling practice exercise



A schedule was developed to install windows in an apartment building. The project is a rush job, and the contractor has agreed to schedule the work on a single shift basis but will work seven days per week until the job is done. The project is to begin on May 1.

42. What day in May will activity D have for its early finish date?

- a. May 13
- b. May 6
- c. May 7
- d. May 5

43. What is the free float for activity F?

- a. 6
- b. 7
- c. 0
- d. 8

44. What is the free float for activity D?

- a. 6
- b. 7
- c. 8
- d. 0

45. What is the critical path of the project?

- a. A B E G H
- b. A B D F H
- c. A C G H
- d. A B E D F H

46. What is the late start for activity F?

- a. May 10
- b. May 11
- c. May 12
- d. May 14

47. How long is the project in days?
- a. Nineteen
 - b. Twenty
 - c. Twenty-one
 - d. Eighteen
48. What is the early start for activity F?
- a. May 7
 - b. May 6
 - c. May 5
 - d. May 4
49. If there is a delay in activity F of six days, what is the effect on the project completion date?
- a. Increases one day
 - b. No change to project completion date
 - c. Increases two days
 - d. Increases three days
50. What is the early finish date for activity A?
- a. May 1
 - b. May 2
 - c. May 3
 - d. May 4