

MoP[®] Practitioner

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The Practitioner Examination

RX01 Scenario Booklet

This is a 3-hour objective test examination. This booklet contains the Portfolio Scenario upon which this exam paper is based. All questions are contained within the *Question Booklet*.

Additional information is provided within this *Scenario Booklet* for a number of questions. Where reference should be made to additional information, this is clearly stated within the question to which it is relevant. All information provided within a question must only be applied to that question.

Each of the four questions is worth 20 marks, giving a maximum of 80 marks in the paper.

The pass mark is 50% (40 marks). Within each question the syllabus area to which the question refers is clearly stated. The exam is to be taken with the support of the MoP Guide only, i.e. no material other than the *Question Booklet*, the *Scenario Book*, the *Answer Booklet* and the MoP Guide is to be used. You are permitted to use a simple calculator in the exam.

Candidate Number:

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Scenario

(The companies and people within the scenario are fictional)

Background

BigCo is a retail company with stores across the entire country.

The organization is structured into areas, with area managers reporting to two operational directors, one for the North of the country and one for the South. The Corporate Board members are: the Chief Executive Officer, the Chief Financial Officer, the two operational directors, the Director of Information Technology (IT), the Director of Marketing, and the Director of Human Resources (HR). Additionally, there are two non-executive directors.

The organization's headquarters is based in Midtown where the central functions (Finance, Marketing, IT, and HR) and the operational directors' support teams are located.

BigCo's vision is to be the market leader in its chosen markets by offering product and service quality at competitive prices.

Recent performance has however been disappointing – it has been losing market share to competitors and sales turnover has fallen. At the same time profit margins have become smaller as costs have risen, and prices cannot be raised further because of market competition.

Strategic Review

As a result, the Chief Executive Officer commissioned a strategic review of the organization covering market trends, its relative competitive position, and strategies to achieve its business objectives. This review concluded that, although the market is relatively mature and predictable, the competitive pressures are increasing. The organization needs to change radically if it is to survive and grow.

Specific issues identified by the strategic review include:

- BigCo has not made full use of the potential for on-line sales – competitors have grown such sales to more than 25% of total business, whereas BigCo's on-line sales remain below 10%
- Recent market research has indicated that among potential customers the company's brand image is weaker than those of its competitors
- Overhead costs have grown at the same time as sales turnover has fallen so profit margins and overall profitability have declined
- Each directorate has focused on its own objectives rather than on their contribution to corporate-level strategic objectives
- Staff, including those who deal with customers face-to-face, have insufficient knowledge about the company's products and how they compare with those of their competitors.

Key priorities for the business are to grow sales income (both in-store and on-line), whilst at the same time bringing costs under control to protect and enhance profit margins. Additionally, cross-organizational working to achieve corporate goals needs to improve. These objectives are relatively stable and unlikely to change in the near to medium term.

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Portfolio Management

Key to achieving this transformation in corporate performance and capacity is the organization's ability to manage its change initiatives efficiently and effectively. Unfortunately, the strategic review found that the management of projects and programmes is in need of significant improvement. Issues identified in relation to project, programme and portfolio management include:

- There has been no formal initiation process. As a result initiatives have been started without considering their 'fit' with the strategic objectives or initiatives elsewhere in the organization. There are concerns that BigCo is trying to deliver too many initiatives. Additionally there is little corporate-level review unless initiatives go badly wrong. No defined 'business change lifecycle' is being used as a standard for initiatives of the same type, so there is no regular review of delivery progress and continued business justification. Initiatives are not, therefore, sufficiently monitored unless serious delivery issues or cost escalation result in Board-level interest. Even then, BigCo has found it difficult to stop initiatives and re-allocate funding
- Whilst there is a small centre of excellence (CoE) that currently reports to the IT Director, project resources sit mainly in each directorate. Where these are insufficient to meet demand, external resources are acquired. The organization does not use a standard project and programme management method, which results in inconsistent approaches, ineffective management of dependencies, and inefficient use of resources. Competition from too many initiatives for limited, shared, in-house resources, and inconsistent forecasting of demand for these resources, has also been a serious problem. In some cases this has resulted in unplanned use of expensive, external resources and in others has slowed delivery (and hence benefits realization)
- Delivery delays and cost escalation are becoming routine but there are no statistics available to measure these variances reliably
- In many cases the promised benefits do not appear to have been realized and the same errors are repeated.

Actions Taken

After the strategic review, the IT and Marketing Directors were replaced. The Chief Executive Officer also approved the recruitment of a Portfolio Director, who is to lead and co-ordinate the change agenda. An individual with experience in transformational change delivery has recently been appointed to this position. This Portfolio Director has declared that the organization will be adopting portfolio management based on a MoP approach, with three primary objectives:

- Improve prioritization of available resources in support of corporate-level objectives
- Enable efficient and effective initiative delivery
- Optimize benefits realization.

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Other progress to date includes:

- Establishment of a Portfolio Office including the transfer of the CoE function from IT to the Portfolio Office
- Setting-up of a Portfolio Investment Committee to decide which initiatives will be funded, to monitor continued strategic alignment, and to approve the release of funding including following relevant stage/phase gate review
- Establishment of a Portfolio Progress Group, which reports to the Investment Committee, to monitor delivery progress and benefits realization.

A portfolio prioritization and delivery planning exercise covering the next 12 months has recently been undertaken. The Portfolio Office has also started monitoring and reporting on delivery progress against 30 initiatives included in BigCo's portfolio of change initiatives. It has also started undertaking post-implementation reviews on all completed initiatives.

End of Scenario

Question 2: Portfolio definition cycle - Additional Information

Additional Information for part-question 2A

In prioritizing the portfolio, BigCo has decided to adopt an approach which combines consideration of potential initiatives in terms of:

- Forecast cost-benefit analysis as assessed by i) Net Present Value (NPV) using a 7% discount rate which reflects the organization's cost of capital, and ii) payback period
- A multi-criteria analysis (MCA) portfolio prioritization model.

The 5-year cost-benefit data for initiatives 1-5 is shown below. All numbers relate to £ sterling.

<u>Initiative 1</u>	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Benefits		200,000	200,000	200,000	150,000	150,000
Costs	500,000					
Annual net flow	-500,000	200,000	200,000	200,000	150,000	150,000
Annual NPV	-500,000	186,920	174,680	163,260	114,435	106,950
Cumulative net flow	-500,000	-300,000	-100,000	100,000	250,000	400,000
Cumulative NPV	-500,000	-313,080	-138,400	24,860	139,295	246,245

<u>Initiative 2</u>	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Benefits		50,000	150,000	150,000	100,000	100,000
Costs	200,000	50,000	50,000	50,000	50,000	50,000
Annual net flow	-200,000	0	100,000	100,000	50,000	50,000
Annual NPV	-200,000	0	87,340	81,630	38,145	35,650
Cumulative net flow	-200,000	-200,000	-100,000	0	50,000	100,000
Cumulative NPV	-200,000	-200,000	-112,660	-31,030	7,115	42,765

<u>Initiative 3</u>	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Benefits		100,000	100,000	100,000	100,000	100,000
Costs	150,000	25,000	25,000	25,000	25,000	25,000
Annual net flow	-150,000	75,000	75,000	75,000	75,000	75,000
Annual NPV	-150,000	70,095	65,505	61,223	57,218	53,475
Cumulative net flow	-150,000	-75,000	0	75,000	150,000	225,000
Cumulative NPV	-150,000	-79,905	-14,400	46,823	104,040	157,515

Additional information continues on the next page

Continued

<u>Initiative 4</u>	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Benefits		150,000	180,000	180,000	150,000	125,000
Costs	750,000	2,500	2,500	2,500	2,500	2,500
Annual net flow	-750,000	147,500	177,500	177,500	147,500	122,500
Annual NPV	-750,000	137,854	155,029	144,893	112,528	87,343
Cumulative net flow	-750,000	-602,500	-425,000	-247,500	-100,000	22,500
Cumulative NPV	-750,000	-612,147	-457,118	-312,225	-199,697	-112,355

<u>Initiative 5</u>	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Benefits		100,000	100,000	100,000	100,000	100,000
Costs	400,000					
Annual net flow	-400,000	100,000	100,000	100,000	100,000	100,000
Annual NPV	-400,000	93,460	87,340	81,630	76,290	71,300
Cumulative net flow	-400,000	-300,000	-200,000	-100,000	0	100,000
Cumulative NPV	-400,000	--306,540	-219,200	-137,570	-61,280	10,020

Additional Information for part-question 2B

A multi-criteria analysis (MCA) portfolio prioritization model has been developed to inform Investment Committee decisions about the composition of the portfolio. Using this model a weighted portfolio prioritization score is calculated for each initiative. Initiatives are scored under two headings – attractiveness and achievability.

1. **Attractiveness** is assessed using the following 2 weighted factors:

1. 5-year Net Present Value (NPV), weighting factor 2.5 - assessed by Finance after review of the business case to ensure adherence to portfolio rules on valuing costs and benefits. Initiatives are scored as follows:
 - a. More than £25 million - scores 10
 - b. £5 million-£25 million - scores 5
 - c. £0-£5 million - scores 1
2. Strategic contribution (Sc), weighting factor 2.5 - assessed by the average rating made by Investment Committee members. This enables initiatives which have a relatively low NPV, but which enable other initiatives, to have this contribution reflected in their prioritization scores. Initiatives are scored as follows:
 - Mission Critical - scores between 7 and 10
 - Highly Desirable - scores between 4 and 6
 - Desirable - scores between 1 and 3

2. **Achievability** is assessed using the following 3 weighted factors:

1. Confidence in initiative deliverability (Ciid), weighting factor 2.0 - assessed by the Senior Responsible Owner (SRO). Initiatives are scored as follows:
 - Very High - scores 9-10
 - High - scores 7-8
 - Medium - scores 5-6
 - Low - scores 3-4
 - Very Low - scores 1-2
2. Likelihood of benefits realization (Lobr), weighting factor 2.0 - assessed by the SRO. Initiatives are scored as follows:
 - High - scores 8-10
 - Medium - scores 4-7
 - Low - scores 1-3

Additional Information continues on the next page

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3. Payback period (Pp), weighting factor 1.0 - determined by Finance after reviewing the business case. Those initiatives that pay back earlier are considered to be lower risk than those that take longer to break even on the investment required. Initiatives are scored as follows:

Payback in Year

- Year 1 - scores 10
- Year 2 - scores 8
- Year 3 - scores 6
- Year 4 - scores 4
- Year 5 - scores 2

This enables a score out of 100 to be calculated for each initiative. For example, initiative X's prioritization score would be calculated as follows:

Example calculation of portfolio prioritization score

	Score	Weighting Factor	Weighted Score
5-year NPV	5	2.5	12.5
Strategic contribution	8	2.5	20
Attractiveness Score			32.5
Confidence in initiative deliverability	7	2	14
Likelihood of benefits	6	2	12
Payback period	4	1	4
Achievability Score			30.0
Portfolio prioritization score for initiative X			62.5

An extract from the latest portfolio prioritization assessment showing the unweighted scores and financial data for initiatives 6-10 is outlined below:

	Initiative 6	Initiative 7	Initiative 8	Initiative 9	Initiative 10
5-year NPV	£4 million	£12 million	£26.5 million	£15 million	£24.5 million
Strategic contribution	See below	See below	See below	See below	See below
Confidence in initiative deliverability	9	7	6	6	8
Likelihood of benefits realization	8	6	5	5	7
Payback period	Year 4	Year 5	Year 2	Year 4	Year 3

Ratings by the Investment Committee members for strategic contribution were as follows:

Investment Committee member	Scores for initiative 6	Scores for initiative 7	Scores for initiative 8	Scores for initiative 9	Scores for initiative 10
1	8	5	8	4	10
2	7	7	8	6	8
3	6	7	9	5	9
4	7	5	7	6	10
5	7	6	8	4	8

Additional Information for part-question 2D

The Portfolio Director has agreed with the Investment Committee that the portfolio will be split into the following segments:

Segment	Description
Strategic	Initiatives critical to achieving the planned business strategy with a clear, significant and realistically achievable contribution to the strategic objectives. This includes initiatives affecting the 'service profit chain' in a positive manner.
Innovative	Initiatives with a high degree of uncertainty as to final outcome, but which offer potentially significant returns.
Maintenance	Initiatives designed in response to a legal or regulatory requirement, or to maintain business as usual.
Enabling	Initiatives with no, or uncertain, direct positive impact on profitability or strategic objectives, but which are necessary for other initiatives which have such an impact. Also those which enable staff resources to be re-assigned to other value-adding activities.
Efficiency	Initiatives that will realize direct savings in current and planned operational costs.

The purpose of segmenting the portfolio in this way is to inform the Investment Committee's decisions on portfolio prioritization and balancing.

Further details on selected initiatives are outlined below:

Initiative 11 - replacement of existing HR and Finance IT systems to save the time staff spend inputting and analysing data. The time saved will be re-allocated to address other current business priorities.

Initiative 12 - review of the scope for expansion into overseas markets, potentially via an overseas acquisition or joint venture.

Initiative 13 - introduction of video conferencing facilities at HQ and regional offices, resulting in savings in travel expenses.

Initiative 14 - launch of a revised customer service staff training programme to address the current, relatively low, levels of customer satisfaction with the support and advice provided.

Additional Information continues on the next page

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Initiative 15 - introduction of a new IT management information system (MIS) including the option to report against a balanced scorecard. This will facilitate another initiative which will re-design the performance management system to align it with the strategic objectives and so improve decision-making and resource allocation.

Initiative 16 - website re-design and an updated on-line sales facility that is designed to be more customer-friendly and provide increased sales on-line.

Where an initiative has features applicable to more than one segment, the primary investment rationale or most significant benefits, determine to which segment the initiative is allocated to.

Question 3: Portfolio delivery cycle - Additional Information

Additional Information for part-questions 3B&C

A major strategic objective for BigCo is to increase its on-line sales to at least 25% of its total sales whilst, at the same time, maintaining the existing levels of sales through its retail outlets. Interim targets have been set for the six-month periods up to June and December over the next three years.

To achieve this objective, the Investment Committee has decided to include the following initiatives within its portfolio:

Initiative	Description
14	Customer service training programme to address relatively low levels of customer satisfaction with the support and advice provided. This training will be designed to respond to issues identified by the customer satisfaction assessment programme and will be developed and delivered by PJN Marketing Consultants.
16	Re-design and update of the website to be more customer-friendly, and with direct sales facilities designed to increase on-line sales. The user experience design will be developed by PJN Marketing Consultants based on the new corporate identity and branding, and details of the improved logistics and stock control system. The new website will then be developed by internal IT resources.
17	Improved logistics and stock control systems to enable efficient fulfilment of orders from retail outlets and from on-line sales. This will be designed and developed using internal IT resources.
18	Refresh of BigCo's corporate identity and branding to revitalize its image as a modern retailer. PJN Marketing Consultants have been engaged to undertake this refresh on behalf of the Marketing Director.
19	Customer satisfaction assessment programme to better understand customer perceptions of service delivery and to identify those areas of customer service that are in greatest need of improvement. The Marketing Director has also decided to engage PJN Marketing Consultants to undertake the initial research for this programme and then design an on-going customer satisfaction survey. The IT system to analyse and report the results of this research will be developed and maintained by internal IT resources.

The main resources for which supply is limited, and which may therefore affect delivery of these initiatives, are the internal IT resources and the availability of funding to meet the costs of external consultancy support. Allocation of these resources will be prioritized to those initiatives upon which other initiatives depend.

Additional Information for part-question 4D

Extract from the Portfolio Benefits Management Framework

(All entries are **true statements** but may not be shown under the correct heading or in the correct document.)

Section A: Outline of the high-level benefits which the portfolio is designed to achieve and the metrics to be used to assess their realization.

1. Growth in store-based sales income will be measured in percentage increase in gross turnover.
2. Improvements in cross-organizational working will be measured in percentage of projects delivered on time.

Section B: Benefits eligibility guidance – the detailed rules on the identification, classification, quantification, valuation and validation of benefits.

3. Cost-control benefits will be measured in overhead costs/sales turnover.
4. The benefits section of each initiative's business case should include financial and non-financial benefits.

Section C: Treatment of benefits throughout the 'business change lifecycle' – from business case, through stage/phase gates and portfolio-level reviews, to post- implementation review.

5. Head-count reduction benefits can only be claimed for whole person savings. Part-person savings will be claimed at the portfolio-level.
6. Non-financial benefits should be expressed against contribution to specific corporate objectives.

Section D: Definition of roles and responsibilities for benefits forecasting, tracking and reporting.

7. No initiatives will be authorized without a formal business case.
8. Each initiative should identify an individual who is accountable for reporting benefit progress via the Portfolio Office.
9. All initiatives should carry out a formal post-implementation review of all benefits.
10. The IT and Marketing Directors have been categorised as 'key influencers'.

Additional Information for part-question 4E

Extract from the Portfolio Dashboard Report for Month 10

Initiative ID	Management & control		Delivery		Notes
	This month	Last month	This month	Last month	
Initiative 1	Amber	Amber	Amber	Amber	Now likely that deliverable required by initiative 4 will be delayed by at least three months.
Initiative 2	Green	Amber	Green	Green	Benefits from stage one starting to be seen in business units.
Initiative 3	Green	Green	Green	Green	Phase gate review is scheduled for month 12, to assess performance and seek funding for next phase.
Initiative 4	Red	Amber	Amber	Red	Critical technical issues identified in month 6 have not yet been addressed. Now outside of budget tolerance on original estimate.
Initiative 5	Red	Amber	Red	Red	Priority of this initiative has been downgraded to 'low' this month following a review of the portfolio. As a result, some technical resource has been re- allocated to higher priority initiatives.

Notes

'Management and control' assessment refers to how well the initiative is being managed.

'Delivery' assessment refers to actual performance of the initiative against its delivery schedule and in terms of benefits realization.

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The Practitioner Examination

RX01

Question Booklet

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Syllabus areas covered:

Question 1- Implement, sustain and measure

Question 2- Portfolio definition cycle

Question 3- Portfolio delivery cycle

Question 4- Roles and documentation

Question Number 1

Syllabus Area Implement, sustain and measure

Syllabus Area	Question Number	Part	Marks
Implement, sustain and measure	1	A	5

Answer the following question about the sources of organizational energy.

Column 1 is a list of initiatives being considered to engage the sources of organizational energy. For each initiative in Column 1 select from Column 2 the relevant source of organizational energy. A selection from Column 2 may be used once, more than once or not at all.

	Column 1	Column 2
1	A review and recognition of staff performance and the introduction of staff development and training programmes.	A Connection B Content C Context D Climate
2	A review of the project management processes used by the centre of excellence and the implementation of appropriate standards within the newly formed Portfolio Office.	
3	A review and alignment of the Corporate Board members' performance objectives with the organization's strategic objectives.	
4	Replacement of existing outdated HR and Finance IT systems.	
5	A series of workshops, delivered by Corporate Board members, to communicate the strategy and purpose of the portfolio, emphasising how everyone is needed to contribute to its success.	

Syllabus Area	Question Number	Part	Marks
Implement, sustain and measure	1	B	5

Answer the following question about the organizational energy states.

Column 1 is a list of observations of current behaviour within the organization. For each observation in Column 1 select from Column 2 the organizational energy state being exhibited. A selection from Column 2 may be used once, more than once or not at all.

	Column 1	Column 2
1	Although the company brand is weaker than its competitors, staff members are content that the market and current customers are relatively mature and predictable.	A Productive B Comfortable C Resigned D Corrosive
2	Staff members believe that any new initiative will be short-lived and replaced before it is implemented, so they don't get involved.	
3	The previous IT director believed that the organization's strategic objectives should be driven by advancements in IT and opposed any alternatives presented by other Corporate Board members.	
4	The centre of excellence has been trying to implement project management processes based on a standardized approach, providing templates and guidance wherever possible.	
5	Project managers are aware that the project management processes are in need of significant improvement, but they have not done anything about it because previous contributions have been ignored.	

Syllabus Area	Question Number	Part	Marks
Implement, sustain and measure	1	C	4

Using the Scenario, answer the following questions.

Decide if each of the following actions and observations are an appropriate application of portfolio management for this scenario and select the option that supports your decision.

1	<p>As a first step, the Portfolio Director has commissioned the centre of excellence to prepare a business case, blueprint, and implementation plan for the adoption of portfolio management to the organization's change initiatives.</p> <p>Is this an appropriate application of portfolio management for this scenario?</p> <p>A No, because the current portfolio of change initiatives are better suited to an 'ad hoc' approach to the implementation of portfolio management.</p> <p>B No, because portfolio management governance should first be aligned with the wider organizational governance structure in a Portfolio Management Framework.</p> <p>C Yes, because the organization's change initiatives need to be prioritized.</p> <p>D Yes, because the implementation of portfolio management is being viewed as a business change programme in its own right.</p>
2	<p>The Portfolio Director has introduced a range of initiatives designed to engage staff through a 'Ways of Working' cultural change programme, part of which is to ensure the business change lifecycle is implemented effectively.</p> <p>Is this an appropriate application of portfolio management for this scenario?</p> <p>A No, because the business change lifecycle should be described in the Portfolio Benefits Management Framework.</p> <p>B No, because the Portfolio Manager should keep the Portfolio Management Framework up to date.</p> <p>C Yes, because clear processes will help people to work more effectively.</p> <p>D Yes, because this should help to move people to a more comfortable energy state.</p>

Question continues on the next page

3	<p>The Chief Executive Officer has requested that the new IT and Marketing directors should sit on either the Portfolio Investment Committee or the Portfolio Progress Group, with the Portfolio Director sitting on both of them.</p> <p>Is this an appropriate application of portfolio management for this scenario?</p> <p>A No, because a single portfolio governance body should be established reporting to the Corporate Board.</p> <p>B No, because organizational governance and portfolio management governance should be kept independent of one another.</p> <p>C Yes, because organizational governance and portfolio management governance structures should be the same.</p> <p>D Yes, because it demonstrates senior management commitment to the success of the portfolio and the portfolio management practices.</p>
4	<p>The Portfolio Office has accepted and implemented a suggestion from the new IT Director to increase the strategic contribution weighting for all IT initiatives.</p> <p>Is this an appropriate application of portfolio management for this scenario?</p> <p>A No, because it is the Portfolio Manager's responsibility to identify any improvements to the portfolio management practices.</p> <p>B No, because everyone should agree to adhere to the current processes until a suggestion has been reviewed and approved by the appropriate authority.</p> <p>C Yes, because the Portfolio Office should review progress regularly, and adapt its activities and the portfolio management processes accordingly.</p> <p>D Yes, because the Portfolio Office should provide a 'challenge' or 'critical-friend' role for individual initiatives.</p>

Syllabus Area	Question Number	Part	Marks
Implement, sustain and measure	1	D	6

Using the Scenario, answer the following question.

Each line in the table below consists 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.

Selection	Assertion	Reason
A	True	True AND the reason explains the assertion
B	True	True BUT the reason does not explain the assertion
C	True	False
D	False	True
E	False	False

	Assertion		Reason
1	It is appropriate that the Chief Financial Officer be a member of the Portfolio Investment Committee.	BECAUSE	In determining the scope of the portfolio, the Investment Committee needs to understand whether it is achievable.
2	The newly-formed Portfolio Office should report directly to the Portfolio Director.	BECAUSE	The Portfolio Office approves changes to the practices within the portfolio definition cycle.
3	The Portfolio Office only needs to consider the impact of initiatives that contribute to the three primary objectives of BigCo adopting portfolio management.	BECAUSE	Programme and project offices assist with delivery of individual change initiatives.
4	A role profile for the newly-appointed Portfolio Director should be included in the Portfolio Management Framework.	BECAUSE	The Portfolio Manager keeps the Portfolio Management Framework up-to-date.
5	To enable efficient and effective initiative delivery, the Portfolio Director should temporarily stop all existing projects and programmes.	BECAUSE	A Portfolio Benefits Manager should review the business case for each initiative being considered for the portfolio.
6	The newly-formed Portfolio Office should deliver and complete the existing initiatives inherited from the centre of excellence.	BECAUSE	A Portfolio Office is responsible for ensuring that all initiatives are delivered according to plan.

Syllabus Area	Question Number	Part	Marks
Portfolio definition cycle	2	A	5

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

Column 1 is a list of statements referring to the forecast financial data of individual initiatives. For each statement in Column 1 select from Column 2 the initiative to which the statement refers. A selection from Column 2 may be used once, more than once or not at all.

	Column 1	Column 2
1	The initiative that offers the most beneficial Net Present Value (NPV) over 5 years.	A Initiative 1
2	The initiative that offers the most beneficial NPV over 3 years.	B Initiative 2
3	The initiative that breaks even in year 4 in discounted terms.	C Initiative 3
4	The initiative with the quickest payback in undiscounted terms.	D Initiative 4
5	The initiative that breaks even in discounted and undiscounted terms in the same year.	E Initiative 5

Syllabus Area	Question Number	Part	Marks
Portfolio definition cycle	2	B	5

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

Column 1 is a list of descriptions of the portfolio prioritization scores for individual initiatives. For each description in Column 1 select from Column 2 the initiative to which it applies. A selection from Column 2 may be used once, more than once or not at all.

	Column 1	Column 2
1	The initiative with the lowest 'weighted portfolio prioritization' score.	A Initiative 6
2	The initiative with the highest 'weighted attractiveness' score.	B Initiative 7
3	The initiative with the highest 'weighted achievability' score.	C Initiative 8
4	The initiative with the lowest 'weighted attractiveness' score.	D Initiative 9
5	The initiative with the highest 'weighted portfolio prioritization' score.	E Initiative 10

Syllabus Area	Question Number	Part	Marks
Portfolio definition cycle	2	C	1

Using the Scenario, answer the following question about the portfolio definition cycle.	
1	<p>A 'top down' approach to portfolio management is proposed.</p> <p>Is this an appropriate approach for this portfolio?</p> <p>A No, because strategy will develop and alter significantly in response to environmental change.</p> <p>B No, because the strategic objectives are well-defined and relatively stable.</p> <p>C Yes, because the strategic objectives are well-defined and relatively stable.</p> <p>D Yes, because the organization is operating in a highly dynamic environment.</p>

Syllabus Area	Question Number	Part	Marks
Portfolio definition cycle	2	D	6

Using the additional information provided for this question in the Scenario Booklet, answer the following questions.		
1	Initiative 11 has been classified in the 'Efficiency' segment.	
	Is this appropriate for this portfolio?	
	A	No, because the initiative will deliver savings in staff time.
	B	No, because there are no direct savings in operational costs.
	C	Yes, because the initiative will deliver savings in staff time.
2	D	Yes, because there are direct savings in operational costs.
	Initiative 12 has been classified in the 'Strategic' segment.	
	Is this appropriate for this portfolio?	
	A	No, because there is a high degree of uncertainty as to the final outcome.
	B	No, because overseas expansion will improve turnover and profitability.
3	C	Yes, because overseas expansion will improve turnover and profitability.
	D	Yes, because there is a high degree of uncertainty as to the final outcome.
	Initiative 13 has been classified in the 'Efficiency' segment.	
	Is this appropriate for this portfolio?	
	A	No, because there is a high degree of uncertainty as to the final outcome.
	B	No, because time savings will enable a contribution to strategic objectives.
	C	Yes, because there are direct savings in travel expenses.
	D	Yes, because there will be savings in time spent travelling.

Question continues on the next page

4	<p>Initiative 14 has been classified in the 'Strategic' segment.</p> <p>Is this appropriate for this portfolio?</p> <p>A No, because there is no direct relationship between customer satisfaction and improved sales turnover.</p> <p>B No, because there is a direct relationship between customer satisfaction and improved sales turnover.</p> <p>C Yes, because there is no direct relationship between customer satisfaction and improved sales turnover.</p> <p>D Yes, because there is a direct relationship between customer satisfaction and improved sales turnover.</p>
5	<p>Initiative 15 has been classified in the 'Enabling' segment.</p> <p>Is this appropriate for this portfolio?</p> <p>A No, because an improved MIS will have an uncertain direct impact on the strategic objectives.</p> <p>B No, because an improved MIS will have a direct impact on the strategic objectives.</p> <p>C Yes, because an improved MIS will have a direct impact on the strategic objectives.</p> <p>D Yes, because an improved MIS will have an uncertain direct impact on the strategic objectives.</p>
6	<p>Initiative 16 has been classified in the 'Maintenance' segment.</p> <p>Is this appropriate for this portfolio?</p> <p>A No, because a significant contribution to strategic objectives is anticipated.</p> <p>B No, because it is designed to maintain business as usual.</p> <p>C Yes, because a significant contribution to strategic objectives is anticipated.</p> <p>D Yes, because it is designed to maintain business as usual.</p>

Syllabus Area	Question Number	Part	Marks
Portfolio definition cycle	2	E	3

Answer the following question.

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

Selection	Assertion	Reason
A	True	True AND the reason explains the assertion
B	True	True BUT the reason does not explain the assertion
C	True	False
D	False	True
E	False	False

	Assertion		Reason
1	The Portfolio Office should collect 'reference class' data as part of the post-implementation reviews.	BECAUSE	Basing forecasts on 'reference class' data can improve portfolio prioritization.
2	'Driver-based' analysis of the 'service profit chain' can aid the alignment of the portfolio with strategic objectives.	BECAUSE	'Driver-based' analysis identifies the benefits of individual initiatives.
3	PESTLE' analysis should be used by the Portfolio Office to inform BigCo's portfolio prioritization.	BECAUSE	'PESTLE' analysis can be used for undertaking an environmental analysis at a strategic level.

Question Number 3

Syllabus Area Portfolio delivery cycle

Syllabus Area	Question Number	Part	Marks
Portfolio delivery cycle	3	A	6

Answer the following question about the financial management practice.

Column 1 is a list of **true statements** about the BigCo portfolio. Column 2 is a selection of the MoP financial management 'keys to success'. For each statement in Column 1, decide if it demonstrates a financial management 'key to success' and select the appropriate answer from Column 2. A selection from Column 2 may be used once, more than once or not at all.

	Column 1	Column 2
1	A new programme to revise the BigCo marketing strategy has been commissioned, and resources have been allocated for the first phase only.	A This does NOT demonstrate one of the financial management 'keys to success'
2	The Chief Executive Officer of BigCo will present the impact of the portfolio on the financial accounts to the annual shareholders meeting.	B Involve financial experts C Align cycles
3	New guidelines have been issued on how to calculate depreciation on capital costs when assessing the viability of proposed change initiatives.	D Business cases include financial plans completed on a consistent basis E Staged release of funding
4	The timing of returns from initiatives for the Portfolio Dashboard Report is the same as the timing for returns for the monthly budget reports.	F Portfolio-level financial planning G Regular reporting of progress
5	The Portfolio Office has introduced monthly reporting of spend against budget.	
6	BigCo has purchased a software package to ensure consistent financial evaluation of risks is applied across all initiatives.	

Syllabus Area	Question Number	Part	Marks
Portfolio delivery cycle	3	B	4

Using the Scenario and the additional information provided for this question in the Scenario Booklet, answer the following questions about the risk management practice.

Each question includes only **true statements** about the BigCo initiatives.

1	Which statement should be included in the portfolio risk management strategy?
A	Many of the initiatives are dependent on resources being made available from the internal IT directorate.
B	As BigCo's competitors are very successful in on-line sales, there is a risk that only existing BigCo customers will make use of the redesigned sales website. This means that the target to increase overall sales will not be achieved.
C	A contingency budget of 5% of the total portfolio budget this year is to be set aside to allow for the costs relating to any unforeseen risks.
D	The Portfolio Progress Group should escalate to the Portfolio Investment Committee all risks that are assessed as having a greater than 50% probability of resulting in a major disruption to BigCo's retail activities.
2	Which risk is MOST likely to be recorded in the portfolio risks and issues register?
A	As BigCo have maintained the same branding for more than thirty years, there is a risk that the new corporate identity will result in lower levels of customer recognition. This means that greater marketing spend will be required on advertising for this initiative to rebuild recognition levels.
B	Due to the current lack of product knowledge amongst customer service staff, there is a risk that the amount of training time will be greater than anticipated. This means that more temporary staff will need to be employed to cover staff on training.
C	Since PJN Marketing Associates have been engaged to undertake a wide range of marketing activities, there is a risk that they will be unable to fulfil all of their commitments, which will mean that the portfolio will fail to deliver the forecast benefits.
D	As PJN Marketing Associates are new to the field of user-experience design, there is a risk that their design work will be delayed, which will mean that additional resources will be required to maintain the schedule for this initiative.

Question continues on the next page

3	Which dependency should be documented by the Portfolio Office?
	<p>A The initiative to refresh BigCo's corporate identity and branding is dependent on PJN Marketing Associates developing proposals for the refresh.</p> <p>B The customer service training programme is dependent on the customer satisfaction assessment programme identifying areas of customer service that are in greatest need of improvement.</p> <p>C The increased efficiency of fulfilling orders from retail outlets and on-line sales is dependent on improving the logistics and stock control systems.</p> <p>D The internal IT resources are dependent on PJN Marketing Associates developing the user experience design before they can develop the new website.</p>
4	<p>Which is NOT an appropriate way of providing visibility of dependencies between BigCo's initiatives at portfolio-level?</p> <p>A All of the inter-initiative dependencies should be shown on a matrix, with the portfolio initiatives listed on each axis of the matrix and the dependency recorded at the intersection of the two initiatives.</p> <p>B The programme schedule for the website re-design initiative should record its dependency on the improved logistics and stock control systems initiative.</p> <p>C The dependency between the initiative to refresh BigCo's corporate identity and branding and the website redesign initiative should be shown as part of the portfolio schedule.</p> <p>D The dependency between the customer service training programme and the customer satisfaction assessment programme should be recorded as a risk.</p>

Syllabus Area	Question Number	Part	Marks
Portfolio delivery cycle	3	C	6

Using the Scenario and the additional information provided for this question in the *Scenario Booklet*, answer the following question about the resource management practice.

Each line in the table below consists 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.

Selection	Assertion	Reason
A	True	True AND the reason explains the assertion
B	True	True BUT the reason does not explain the assertion
C	True	False
D	False	True
E	False	False

	Assertion		Reason
1	One priority will be the development of resource forecasting standards.	BECAUSE	Resource forecasting standards help initiative planners to produce more consistent forecasts of resource requirements.
2	Before the launch of any customer service training, BigCo will need to assess its capacity to absorb this change.	BECAUSE	An organization's capacity to absorb business change is a type of limited resource.
3	Having added initiatives 14, 16, 17, 18 and 19 to the portfolio, the Portfolio Office should update the Portfolio Financial Plan.	BECAUSE	The Portfolio Financial Plan provides a baseline against which to manage demand and supply of limited resources.
4	The Portfolio Office will align the Portfolio Financial Plan with the Portfolio Resource Schedule.	BECAUSE	The Portfolio Office should compile a Portfolio Resource Schedule based on the Portfolio Financial Plan and their understanding of available resources within the organization.
5	The Portfolio Office should recommend that the available IT resources be allocated to initiatives 14 and 16.	BECAUSE	The most highly prioritized initiatives should be given priority access to the limited resources.
6	The Portfolio Office should lead a review of resource requirements across the portfolio during December and June.	BECAUSE	A good time to review resource requirements is at six- monthly intervals.

Syllabus Area	Question Number	Part	Marks
Portfolio delivery cycle	3	D	4

Using the Scenario, answer the following questions about the management control practice.

The newly formed Portfolio Office has taken a number of actions in order to establish an effective monitoring and reporting regime. Decide whether the actions taken represent an appropriate application of MoP for this scenario and select the response that supports your decision.

1	<p>The Portfolio Office has developed a standard reporting template and the Portfolio Progress Group has instructed all initiatives to use this when designing their own reporting schedules.</p> <p>Is this an appropriate use of MoP for this scenario?</p>
A	No, because for there to be 'one version of the truth' all reporting should be via a documented route and according to an agreed schedule.
B	No, because it is the responsibility of the Portfolio Manager to prepare regular Portfolio Dashboard Reports based on the initiatives' progress reports.
C	Yes, because having a standard reporting template on it's own will enable 'one version of the truth' to be established.
D	Yes, because it is the responsibility of the Portfolio Office to prepare regular Portfolio Dashboard Reports based on the initiatives' progress reports.
2	<p>The Portfolio Office has designed a standard 'business change lifecycle' to be used by all change initiatives within BigCo.</p> <p>Is this an appropriate use of MoP for this scenario?</p>
A	No, because each change initiative should design its own 'business change lifecycle'.
B	No, because having a single 'business change lifecycle' would create a bureaucratic process that would stifle individual programmes and projects.
C	Yes, because BigCo does not have any existing 'business change lifecycle', and such a framework is central to establishing management control.
D	Yes, because it is an essential element of management control for there to be one centrally managed 'business change lifecycle' with no deviations.

Question continues on the next page

3	<p>Having designed the 'business change lifecycle', the Portfolio Office has started to roll out a training programme which is being used to introduce the use of a 'champion-challenger' model.</p> <p>Is this an appropriate use of MoP for this scenario?</p>
	<p>A No, because if the Portfolio Office provides advice and guidance through training, this is likely to compromise their independence from the delivery functions within BigCo.</p> <p>B No, because having designed the 'business change lifecycle' it is important that this is adopted across BigCo without any further challenge.</p> <p>C Yes, because delivery staff members need to understand that the Portfolio Office will operate as the champion for this process and challenge delivery teams to ensure that they follow it.</p> <p>D Yes, because delivery staff members need to understand that they are encouraged to recommend improvements to the 'business change lifecycle'.</p>
4	<p>The Portfolio Office has developed standards for the creation and maintenance of business cases. These standards incorporate a summary business case template, and require the adjustment of forecasts for 'optimism bias'.</p> <p>Is this an appropriate use of MoP for this scenario?</p>
	<p>A No, because using a business case template means there is no need to adjust forecasts for 'optimism bias'.</p> <p>B No, because adopting the 'reference class' forecasting approach is a far better approach to overcoming the current problems of inaccurate forecasting experienced by BigCo.</p> <p>C Yes, because putting in place business case standards will enable initiatives to be more easily compared in terms of their attractiveness, achievability and affordability, based on more reliable information.</p> <p>D Yes, because a common problem with forecasts is for the costs and timescales to be overestimated and benefits to be underestimated.</p>

Question Number 4

Syllabus Area Roles and documentation

Syllabus Area	Question Number	Part	Marks
Roles and documentation	4	A	5

Answer the following questions about the Portfolio Delivery Plan.

Each question provides a list of **true statements** about BigCo, but only 2 statements are appropriate entries for that section of the Portfolio Delivery Plan.

Remember to limit your answers to **2** in each question.

1 Which **2** statements should appear in the **portfolio financial plan** section?

- A The budget for portfolio operating expenditure this year is £8 million.
- B Non-cashable efficiency savings of £1 million are planned to be realized this year.
- C The Finance directorate budget for this year is £200,000.
- D The budget for the portfolio over the next 3 years is £60 million.
- E The budget for portfolio capital expenditure this year is £10 million.

2 Which **2** statements should appear in the **key dependencies** section?

- A Realization of forecast benefits from the portfolio is dependent on accurate forecasting and so BigCo is adopting 'reference class' forecasting.
- B Initiative 21 will deliver a management information system capability that is required as an input for initiatives 24 and 26.
- C The Portfolio Office will host a workshop in month 1 to identify key dependencies.
- D Demand from several initiatives for test facilities in month 6 exceeds current capacity calling for re-scheduling or expansion of capacity for those initiatives.
- E Mitigating the risk of cost escalation is dependent on effective budgetary control.

Question continues on the next page

3	Which 2 statements should appear in the portfolio benefits realization plan section?
A	BigCo will achieve a level 2 P3M3 rating by the end of the year.
B	Efficiency benefits should be validated with the Finance directorate prior to investment.
C	Operating costs in the central functions will reduce by 5% by the end of quarter 3 compared with the baseline at the start of quarter 1.
D	A post-implementation benefits evaluation on initiative 28 will be undertaken in quarter 2.
E	Brand awareness ratings will improve by 5% by the end of quarter 2.
4	Which 2 statements should appear in the key risks mitigation action plan section?
A	The BigCo portfolio is over-reliant on supplier Y, so different suppliers will be considered for future initiatives.
B	A portfolio risk strategy is to be agreed by the end of quarter 2.
C	Over-confidence leads to unreliable forecasts, so initiative estimates will be adjusted for 'optimism bias'.
D	The scheduled delivery of initiative 22 would be delayed if the systems testing facilities required in month 4 are unavailable, so the required facilities will be reserved for initiative 22.
E	The risk of initiative 23 has been assessed as high impact, medium probability, and so will be kept under close management review.
5	Which 2 statements should appear in the high level resource plan/schedule section?
A	Demand for systems test facilities will exceed current availability in months 8 and 11.
B	Two additional staff members will be recruited to the Portfolio Office by the end of quarter
C	Resource requirements on initiative 25 include access to system test facilities in month 6.
D	Financial resources planned to be spent on portfolio initiatives in month 6 are £2.5 million.
E	The monthly total of project staff required by the portfolio is 24, which exceeds current availability in months 2 and 6.

Syllabus Area	Question Number	Part	Marks
Roles and documentation	4	B	3

Answer the following questions about the Portfolio Stakeholder Engagement and Communication Plan.

Each question provides a list of **true statements** about the BigCo portfolio, but only 2 statements are appropriate entries for that section of the Portfolio Stakeholder Engagement and Communication Plan.

Remember to limit your answers to **2** in each question.

1	Which 2 statements should be recorded within the objectives section?
A	To ensure customer service staff needs are fully understood, by engaging staff representatives in the design of relevant initiatives.
B	To provide a framework for co-ordinated and consistent communications across the BigCo portfolio.
C	To be the market leader in its chosen markets by differentiating itself on the basis of product and service quality at competitive prices.
D	To grow on-line sales to represent at least 25% of total sales within two years.
E	To engage the Corporate Board by explaining what is required of them and how portfolio management will contribute to both corporate and directorate performance objectives.
2	Which 2 statements should be recorded within the key stakeholder groups section?
A	The Portfolio Office is responsible for co-ordinating the reporting of portfolio progress to the BigCo Portfolio Investment Committee and Portfolio Progress Group.
B	Programme and project staff are keen to know how portfolio management will affect their working practices, and their participation is crucial to successful implementation.
C	A PPM forum will be used to engage the project and programme management community.
D	Corporate Board members are very interested in the portfolio given the Chief Executive Officer's commitment, and their engagement is essential to its success.
E	A regular newsletter will be established to keep customer service staff informed of portfolio progress.
3	Which 2 statements should be recorded within the media to be used section?
A	The Portfolio Progress Group will ensure consistency of messages on delivery progress across all media.
B	The Portfolio Office will work closely with BigCo's communication team within Human Resources to establish appropriate forms of communication for the various portfolio stakeholder groups.
C	For customer service staff, a Twitter account will be set up and staff will be encouraged to follow this account to hear the latest news about the portfolio of initiatives affecting them.
D	The Marketing directorate will be asked to provide an expert on internal marketing to help implement the Portfolio Stakeholder Engagement and Communication Plan.
E	The Corporate Board members will be provided with a monthly progress report, and, at each quarterly board meeting, the Portfolio Director will provide an in-depth progress update.

Syllabus Area	Question Number	Part	Marks
Roles and documentation	4	C	2

Using the Scenario, answer the following questions about portfolio management roles.

Each question provides a list of responsibilities within the stakeholder engagement practice for the portfolio.

1	Which is an appropriate responsibility for the Portfolio Director in a MoP environment?
A	Appearing in quarterly videos for the BigCo intranet site to share with all staff the progress being made with the introduction of portfolio management.
B	Leading the preparation of BigCo's Portfolio Stakeholder Engagement and Communication Plan to demonstrate commitment to portfolio level stakeholder engagement.
C	Approving the portfolio progress information for inclusion in the monthly internal newsletter to staff.
D	Approving BigCo's Portfolio Stakeholder Engagement and Communication Plan to ensure that BigCo's stakeholders' are identified and that they are actively engaged with the management of the portfolio.
2	Which is an appropriate responsibility for the Portfolio Manager in a MoP environment?
A	Leading awareness training sessions for senior and middle managers about how the Portfolio Benefits Management Framework is being applied within BigCo.
B	Promoting and supporting the cultural changes necessary so that each directorate is focussed on BigCo as a whole rather than on achieving its own objectives.
C	Running an internal campaign to generate ideas from BigCo staff for ways in which stakeholder engagement relating to the portfolio could be improved.
D	Leading a briefing session to BigCo's directors to explain to them the benefits that their directorates gain from implementing portfolio management consistently across the company.

Syllabus Area	Question Number	Part	Marks
Roles and documentation	4	D	5

Using the Scenario and the additional information provided for this question in the Scenario Booklet, answer the following questions about the Portfolio Benefits Management Framework.

Remember to limit your answers to **2** in each question.

1	Which 2 statements apply to Section A?
A	Delete entry 1 because this is NOT a high-level benefit.
B	Amend entry 1 to include on-line sales growth.
C	No change to entry 2 because this expresses a measurable benefit.
D	Delete entry 2 because this is a non-financial benefit.
E	Delete entry 2 because this should be linked to corporate goals.
2	Which 2 statements apply to Section B?
A	Move entry 3 to Section A because this describes a metric used to assess one of the high-level benefits that the portfolio is designed to achieve.
B	Move entry 3 to Section D because this defines benefit tracking and reporting.
C	No change to entry 4 because it would be appropriate to measure both financial and non-financial benefits.
D	Delete entry 4 because only financial benefits should be measured for each initiative.
E	Add 'Each initiative should set its own rules for benefit eligibility'.
3	Which 2 statements apply to Section C?
A	No change to entry 5 because this describes what benefits will be measured at portfolio-level.
B	Move entry 5 to Section B because this describes eligibility guidance for the portfolio.
C	No change to entry 6 because measurement against corporate objectives is likely to take place at a stage/phase gate review.
D	Move entry 6 to Section B because this describes mapping of benefits to the corporate objectives.
E	Amend entry 6 to include responsibilities for benefits identification.

Question continues on the next page

4	Which 2 statements apply to Section D?
A	No change to entry 7 because the process to authorize a business case should be defined with clear responsibility.
B	Move entry 7 to Section C because this describes how approval of the business case aligns to the 'business change lifecycle'.
C	Move entry 7 to Section B because this describes the eligibility rules of each initiative.
D	No change to entry 8 because initiatives should report benefits via the Portfolio Office.
E	Move entry 8 to Section C because benefits reporting should be aligned to stage/phase gate reviews.
5	Which 2 statements apply to Section D?
A	No change to entry 9 because this describes requirements for benefits tracking.
B	Move entry 9 to Section C because this describes the requirements for benefits review beyond initiative closure.
C	Delete entry 9 because this describes processes within the programme or project.
D	No change to entry 10 because this describes the roles required for benefits management.
E	Delete entry 10 because this describes stakeholder categorization.

Syllabus Area	Question Number	Part	Marks
Roles and documentation	4	E	5

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

Each line in the table below consists 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.

Selection	Assertion	Reason
A	True	True
B	True	True
C	True	False
D	False	True
E	False	False

AND the reason explains the assertion
BUT the reason does not explain the assertion

	Assertion		Reason
1	The Portfolio Manager should review progress with the managers of initiative 1 and initiative 4.	BECAUSE	The Portfolio Manager should ensure that dependencies within the portfolio are managed effectively.
2	The Portfolio Benefits Manager should prepare all future progress reports for initiative 2.	BECAUSE	The Portfolio Benefits Manager should provide assurance that benefits management practices are effective at programme level.
3	Recommendations arising from the gateway review planned for initiative 3 should be reported to the Portfolio Investment Committee.	BECAUSE	The Portfolio Investment Committee undertakes portfolio-level reviews to confirm that the portfolio remains on course to deliver the desired strategic benefits.
4	The Portfolio Director should monitor the budget problems identified with initiative 4.	BECAUSE	The Portfolio Director is responsible for recommending that initiatives are terminated where justified.
5	The Portfolio Progress Group should approve revised benefit realization targets for initiative 5.	BECAUSE	Only high priority initiatives should be included in reports that are sent to the Portfolio Investment Committee.



The Practitioner Examination

Marking Scheme

Note: For Multiple Response (MR) questions, 1 point is scored if and only if all correct options are selected. Otherwise 0 points are scored.

Exam Paper: GB-RX01-1.6

Question	Part	Type	Response	A	B	C	D	E	F	G	H	I
1	(IS)	A	MG	1	0	0	0	1				
			2	0	0	1	0					
			3	1	0	0	0					
			4	0	0	1	0					
			5	1	0	0	0					
	B	MG	1	0	1	0	0					
			2	0	0	1	0					
			3	0	0	0	1					
			4	1	0	0	0					
			5	0	0	1	0					
	C	CL	1	0	0	0	1					
			2	0	0	1	0					
			3	0	0	0	1					
			4	0	1	0	0					
	D	AR	1	0	1	0	0	0				
			2	0	0	1	0	0				
			3	0	0	0	1	0				
			4	0	1	0	0	0				
			5	0	0	0	1	0				
			6	0	0	0	0	1				

Question	Part	Type	Response	A	B	C	D	E	F	G	H	I
2	(DF)	A	MG	1	1	0	0	0	0			
			2	0	0	1	0	0				
			3	0	1	0	0	0				
			4	0	0	1	0	0				
			5	1	0	0	0	0				
	B	MG	1	0	0	0	1	0				
			2	0	0	1	0	0				
			3	1	0	0	0	0				
			4	1	0	0	0	0				
			5	0	0	1	0	0				
	C	CL	1	0	0	1	0					
	D	CL	1	0	1	0	0					
			2	1	0	0	0					
			3	0	0	1	0					
			4	0	0	0	1					
			5	0	0	0	1					
			6	1	0	0	0					
	E	AR	1	1	0	0	0	0				
			2	0	0	1	0	0				
			3	0	0	0	1	0				

Question	Part	Type	Response	A	B	C	D	E	F	G	H	I
3	(DL)	A	MG	1	0	0	0	0	1	0	0	
			2	1	0	0	0	0	0	0		
			3	0	0	0	1	0	0	0		
			4	0	0	1	0	0	0	0		
			5	0	0	0	0	0	0	1		
			6	1	0	0	0	0	0	0		
	B	CL	1	0	0	0	1					
			2	0	0	1	0					
			3	0	1	0	0					
			4	0	1	0	0					
	C	AR	1	1	0	0	0	0				
			2	1	0	0	0	0				
			3	0	0	1	0	0				
			4	0	0	1	0	0				
			5	0	0	0	1	0				
			6	0	0	0	0	1				
	D	CL	1	1	0	0	0					
			2	0	0	1	0					
			3	0	0	0	1					
			4	0	0	1	0					

Question	Part	Type	Response	A	B	C	D	E	F	G	H	I
4	(RD)	A	MR	1	1	0	0	0	1			
			2	0	1	0	1	0				
			3	0	0	1	0	1				
			4	1	0	1	0	0				
			5	1	0	0	0	1				
	B	MR	1	1	0	0	0	1				
			2	0	1	0	1	0				
			3	0	0	1	0	1				
	C	CL	1	1	0	0	0					
			2	0	0	1	0					
	D	MR	1	0	1	1	0	0				
			2	1	0	1	0	0				
			3	0	1	0	1	0				
			4	0	1	0	1	0				
			5	0	1	0	0	1				
	E	AR	1	1	0	0	0	0				
			2	0	0	0	1	0				
			3	0	1	0	0	0				
			4	0	0	0	0	1				
			5	0	0	1	0	0				



The Practitioner Examination

Rationale

Exam Paper: GB-RX01-1.6

Question: 1, Syllabus: IS, Part: A, Type: MG, Syllabus Ref: IS0301, Level: 3

1	Correct [D]:	The purpose of providing recognition of staff performance and provision of development opportunities is to enable the organization to ignite the 'climate' source of organizational energy. This concerns how the organization helps people to grow, achieve their potential and do their best. Ref 5.5.
2	Correct [C]:	The purpose of reviewing working practices and implementing appropriate standards is to enable the organization to ignite the 'context' source of organizational energy. This concerns how working practices support and enable people to do a good job. Ref 5.5.
3	Correct [A]:	The purpose of aligning individuals' objectives with the organization's strategic objectives is to enable the organization to ignite the 'connection' source of organizational energy. This concerns how people link themselves, their values and their work to the purpose of the organization. Ref 5.5.
4	Correct [C]:	The purpose of replacing outdated IT systems is to enable the organization to ignite the 'context' source of organizational energy. This concerns how working practices support and enable people to do a good job. Ref 5.5.
5	Correct [A]:	The purpose of communicating the corporate strategy and how everyone within the organization contributes to it is to enable the organization to ignite the 'connection' source of organizational energy. This concerns how people link themselves, their values and their work to the purpose of the organization. Ref 5.5.

Question: 1, Syllabus: IS, Part: B, Type: MG, Syllabus Ref: IS0301, Level: 3

1	Correct [B]:	This observation suggests that there is a relaxed atmosphere and that the staff members are content with the status quo, with no desire to change. This indicates a 'comfortable' energy state. Ref 5.5.
2	Correct [C]:	This observation suggests that staff members are mentally withdrawn and do nothing more than is required of them. This indicates a 'resigned' energy state. Ref 5.5.
3	Correct [D]:	This observation suggests that the previous IT Director actively hindered strategic change and innovation that was not driven by IT advancements. This indicates a 'corrosive' energy state. Ref 5.5.
4	Correct [A]:	This observation suggests that the centre of excellence has a high emotional involvement and is on the lookout for new opportunities and takes decisive action to solve problems because it really cares about the success of the organization. This indicates a 'productive' energy state. Ref 5.5.
5	Correct [C]:	This observation suggests that project managers are mentally withdrawn and do nothing more than is required of them. This indicates a 'resigned' energy state. Ref 5.5.

Question: 1, Syllabus: IS, Part: C, Type: CL, Syllabus Ref: IS0401, Level: 4

1	A	Incorrect:	The scenario states that a decision has been taken to adopt portfolio management for BigCo's change initiatives and so an 'ad hoc' approach to the implementation of portfolio management, where development of the approach is not expected, is not appropriate. Ref 5.3.
	B	Incorrect:	The scenario states that a decision has been taken to adopt portfolio management for BigCo's change initiatives. It is therefore, appropriate to prepare a business case, blueprint and implementation plan. The Portfolio Strategy and Portfolio Management Framework will be produced to assist organizational governance alignment. But this is not a valid reason for not adopting a planned approach to the implementation of portfolio management. Ref 7.7.2.
	C	Incorrect:	The scenario states that a decision has been taken to adopt portfolio management for BigCo's change initiatives. It is therefore, appropriate to prepare a business case, blueprint and implementation plan. The organization's change initiatives will be prioritized as part of the portfolio definition cycle but this is not a reason for preparing a business case, blueprint and implementation plan. Ref 6.4.
	D	Correct:	The scenario states that a decision has been taken to adopt portfolio management for BigCo's change initiatives. Using a business case, blueprint and implementation plan implies that the introduction of portfolio management is to be managed as a programme which is entirely appropriate and supported by best practice. Ref 5.3.
2	A	Incorrect:	The scenario states that there is no consistent change lifecycle, it would therefore be appropriate to ensure this is implemented effectively as part of a 'Ways of Working' cultural change programme. A Portfolio Management Framework should describe the business change lifecycle. Ref Appendix E.
	B	Incorrect:	The scenario states that there is no consistent change lifecycle, it would therefore be appropriate to ensure this is implemented effectively as part of a 'Ways of Working' cultural change programme. The Portfolio Manager should keep the Portfolio Management Framework up to date but this does not preclude the Portfolio Director from introducing such a change programme. Ref Table 4.5 / Appendix B.
	C	Correct:	The scenario states that there is no consistent change lifecycle, it would therefore be appropriate to ensure this is implemented effectively as part of a 'Ways of Working' cultural change programme. A key to an energized change culture is effective processes and 'context' is a source of organizational energy where working practices support and enable people to do a good job. This explains why the business change lifecycle should be clarified. Ref 4.7 / 5.5.
	D	Incorrect:	The scenario states that there is no consistent change lifecycle, it would therefore be appropriate to ensure this is implemented effectively as part of a 'Ways of Working' cultural change programme. Ensuring the business change lifecycle is implemented effectively should increase the organization's 'productive' not 'comfortable' energy state. Ref 4.7 / 5.5.
3	A	Incorrect:	A single board can oversee the portfolio and can even be the main board (Ref 4.4), but requiring the IT and Marketing board members to sit on each of these governance bodies helps demonstrate senior management commitment. Establishment of separate boards for governing portfolio definition (Investment Committee) and portfolio delivery (Progress Group) is a recognized approach to portfolio governance. Ref 4.4.
	B	Incorrect:	It would be appropriate to require the IT and Marketing board members to sit on each of these governance bodies because it helps demonstrate senior management commitment. Portfolio management decision-making should be

		aligned with, and reflect, the wider organizational governance structure. Ref 4.4.
	C	Incorrect: It would be appropriate to require the IT and Marketing board members to sit on each of these governance bodies because it helps demonstrate senior management commitment. Portfolio management decision-making should be aligned with, and reflect, the wider organizational governance structure, but it does not have to be the same. Ref 4.4.
	D	Correct: Establishment of separate boards for governing portfolio definition (Investment Committee) and portfolio delivery (Progress Group) is a recognized approach to portfolio governance. Ref 4.4. Requiring the IT and Marketing board members to sit on either of these governance bodies helps demonstrate senior management commitment which is one of the principles underpinning effective portfolio management. Ref 4.3.
4	A	Incorrect: The Portfolio Manager is responsible for identifying improvements to the portfolio management practices, but this does not mean that others should not suggest improvements using the 'champion-challenger' model (Ref Glossary). Changes to the strategic contribution weighting would affect the portfolio definition cycle practices and should be approved by the Portfolio Investment Committee. Ref 5.4 / Appendix B.
	B	Correct: The 'champion-challenger' model helps ensure that stakeholders are actively involved in the portfolio practices. However, until successfully challenged, all should agree to adhere to the current processes (Ref Glossary). Changes to the strategic contribution weighting would affect the portfolio definition cycle practices and should first be approved by the Portfolio Investment Committee. Ref 5.4 / Appendix B.
	C	Incorrect: A 'key to success' for the Portfolio Office is that it regularly reviews progress and adapts its activities, and the portfolio management processes, accordingly. However any changes to the strategic contribution weighting would affect the portfolio definition cycle practices and should first be approved by the Portfolio Investment Committee. Ref Table 4.4 / 5.4 / Appendix B.
	D	Incorrect: The Portfolio Office should play the role of challenger or 'critical-friend' to individual initiatives. This does not, however, mean it should decide whether and when to implement changes to the portfolio management processes. Changes to the strategic contribution weighting would affect the portfolio definition cycle practices and should be approved by the Portfolio Investment Committee. Ref Table 4.4 / 5.4 / Appendix B.

Question: 1, Syllabus: IS, Part: D, Type: AR, Syllabus Ref: IS0401, Level: 4

1	True:	The portfolio is central to the future of the organization and its objectives include improvements in financial performance. The Investment Committee is responsible for approval of release of funding. Ref Scenario. It is therefore appropriate that the Chief Financial Officer sit on the Portfolio Investment Committee. Ref Appendix B.	True:	Decisions about the inclusion of initiatives in the portfolio lie with the PDG/Investment Committee which needs to understand whether initiatives are achievable. This does not however explain why the Chief Financial Officer should be a member of the Portfolio Investment Committee. The answer is therefore B. Ref 3.3 / Appendix B.
2	True:	The Portfolio Office is the guardian of the portfolio processes – monitoring their operation, reporting any non-compliance and providing an assurance on their effective operation. They should report to the top of the organization and be integrated into the organizational governance structure. Ideally they should have direct contact with, and report to, the management board champion. In this case the Portfolio Director is a member of the Corporate Board. Ref Table 4.4.	False:	The Portfolio Investment Committee agrees the processes contained within the portfolio definition cycle and changes to those processes. Ref Appendix B.
3	False:	The Portfolio Office needs to consider the impact of all change initiatives designed to achieve the organization's strategic objectives, rather than the actions taken to achieve the objectives of portfolio management. Ref 4.4.2.3.	True:	Programme and project offices are primarily concerned with co-ordinating the delivery of individual change initiatives in the right way. Ref 4.6.1.
4	True:	Role profiles are prepared for key positions, terms of reference are agreed for the portfolio governance bodies, and both are included in the Portfolio Management Framework. Ref 7.7.2 / Appendix E / Glossary.	True:	It is a responsibility of the Portfolio Manager to keep the Portfolio Management framework up to date. This is not a reason for the role profile of the Portfolio Director to be included in the Portfolio Management Framework. The answer is therefore B. Ref Appendix B.
5	False:	There is no reason to stop all projects and programmes. The portfolio definition cycle will determine which initiatives are required and which are not. Ref 5.2.	True:	A Portfolio Benefits Manager should participate in investment appraisals, ensuring that the business case benefits forecasts are consistent with the organization's benefits eligibility rules. Ref Appendix B.
6	False:	The Portfolio Office is the guardian of the portfolio processes – monitoring their operation, reporting any non-compliance and providing an assurance on their effective operation. This is why the Portfolio Office should have no direct delivery responsibility, so that they are not seen as being biased in favour of their own work. Ref 7.7.2.	False:	Responsibility for the delivery of individual initiatives rests with the relevant programme or project manager. The Portfolio Office is responsible for the development of delivery capability organization-wide (Ref 3.5) and for providing an assurance to senior management on effective and efficient management and delivery of change initiatives. Ref 4.6.

Question: 2, Syllabus: DF, Part: A, Type: MG, Syllabus Ref: DF0301, Level: 3

1	Correct [A]:	According to the additional information, initiative 1 has the highest NPV over 5 years (£246,245). Ref 6.4.2.
2	Correct [C]:	According to the additional information, initiative 3 has the highest NPV after 3 years (£46,823). Ref 6.4.2.
3	Correct [B]:	According to the additional information the NPV for initiative 2 at the end of year 3 is -£31,030 and +£7,115 at the end of year 4. Initiative 2 therefore breaks even in year 4 in discounted terms. Ref 6.4.2.
4	Correct [C]:	According to the additional information, the cumulative net flow for initiative 3 at the end of year 2 is 0. Undiscounted payback therefore occurs by the end of year 2. Ref 6.4.2.
5	Correct [A]:	According to the additional information, initiative 1 breaks even in year 3 in both discounted and undiscounted terms – the undiscounted value at the end of year 2 is -£100,000 and +£100,000 at the end of year 3. The discounted (net present) values are -£138,400 at the end of year 2 and +£24,860 at the end of year 3. Ref 6.4.2.

Question: 2, Syllabus: DF, Part: B, Type: MG, Syllabus Ref: DF0301, Level: 3

1	Correct [D]:	According to the additional information, initiative 9 has the lowest weighted portfolio prioritization score (51). Ref 6.4.
2	Correct [C]:	According to the additional information, initiative 8 has the highest weighted attractiveness score (45). Ref 6.4.
3	Correct [A]:	According to the additional information, initiative 6 has the highest weighted achievability score (38). Ref 6.4.
4	Correct [A]:	According to the additional information, initiative 6 has the lowest weighted attractiveness score (20). Ref 6.4.
5	Correct [C]:	According to the additional information, initiative 8 has the highest weighted portfolio prioritization score (75). Ref 6.4.

Question: 2, Syllabus: DF, Part: C, Type: CL, Syllabus Ref: DF0401, Level: 4

1	A	Incorrect:	According to the scenario, the market is relatively mature and the organization's objectives are reasonably defined and not subject to continual change. A 'top down' approach to portfolio management, where initiatives are appraised in the context of the strategic objectives, is therefore appropriate. Ref 6.2.1.
	B	Incorrect:	The strategic objectives are indeed well-defined and relatively stable, but this means that a 'top down' approach to portfolio management, where initiatives are appraised in the context of the strategic objectives, is appropriate. Ref 6.2.1.
	C	Correct:	A 'top down' approach to portfolio management is appropriate where the environment is less dynamic and where the portfolio is designed to deliver the changes required to achieve the defined strategic objectives. Ref 6.2.1.
	D	Incorrect:	According to the scenario, the market is relatively mature rather than being highly dynamic. In such situations the organization's objectives are usually reasonably defined and are not subject to continual change. A 'top down' approach to portfolio management, where initiatives are appraised in the context of the strategic objectives, is therefore appropriate. Ref 6.2.1.

Question: 2, Syllabus: DF, Part: D, Type: CL, Syllabus Ref: DF0401, Level: 4

1	A	Incorrect:	Initiative 11 will save staff time but there are no direct savings in operational costs and this is the reason that this initiative is appropriate to the 'Enabling' segment rather than the 'Efficiency' segment. Ref 6.3.2.
	B	Correct:	Initiative 11 will not result in direct savings in operational costs and so this initiative is appropriate to the 'Enabling' segment rather than the 'Efficiency' segment. Ref 6.3.2.
	C	Incorrect:	Initiative 11 will save staff time but there are no direct savings in operational costs and so this initiative is appropriate to the 'Enabling' segment rather than the 'Efficiency' segment. Ref 6.3.2.
	D	Incorrect:	Initiative 11 will save staff time but there are no direct savings in operational costs and so this initiative is appropriate to the 'Enabling' segment rather than the 'Efficiency' segment. Ref 6.3.2.
2	A	Correct:	There is a high degree of uncertainty as to the final outcome and so initiative 12 is appropriate to the 'Innovative' rather than 'Strategic' segment. Ref 6.3.2.
	B	Incorrect:	Initiative 12 may result in increased turnover and profitability but there is a high degree of uncertainty as to the final outcome and so initiative 12 is appropriate to the 'Innovative' rather than 'Strategic' segment. Ref 6.3.2.
	C	Incorrect:	Initiative 12 may result in increased turnover and profitability but there is a high degree of uncertainty as to the final outcome and so initiative 12 is appropriate to the 'Innovative' rather than 'Strategic' segment. Ref 6.3.2.
	D	Incorrect:	There is a high degree of uncertainty as to the final outcome and so initiative 12 is appropriate to the 'Innovative' rather than the 'Strategic' segment. Ref 6.3.2.
3	A	Incorrect:	There is no evidence that there is a high degree of uncertainty as to the final outcome. Initiative 13 will result in direct savings in travel expenses and is therefore appropriate to the 'Efficiency' segment. Ref 6.3.2.
	B	Incorrect:	Time savings may result and this may contribute to strategic objectives, but the main benefit of initiative 13 is a saving in travel expenses and it is therefore appropriate to the 'Efficiency' segment. Ref 6.3.2.
	C	Correct:	Initiative 13 will result in direct savings in travel expenses and is therefore appropriate to the 'Efficiency' segment. Ref 6.3.2.
	D	Incorrect:	Initiative 13 may result in time savings from reduced travel but these will not lead to direct savings in current and planned operational costs. Initiative 13 will result in direct savings in travel expenses and is therefore appropriate to the 'Efficiency' segment. Ref 6.3.2.
4	A	Incorrect:	The statement is incorrect – there is a direct relationship between customer satisfaction and sales turnover via the 'service profit chain'. Initiative 14 is therefore appropriate to the 'Strategic' segment. Ref 4.5.
	B	Incorrect:	There is a direct relationship between customer satisfaction and improved sales turnover via the 'service profit chain'. Initiative 14 is therefore appropriate to the 'Strategic' segment. Ref 4.5.
	C	Incorrect:	The statement is incorrect – there is a direct relationship between customer satisfaction and sales turnover via the 'service profit chain'. Initiative 14 is therefore appropriate to the 'Strategic' segment. Ref 4.5.
	D	Correct:	There is a direct relationship between customer satisfaction and improved sales turnover via the 'service profit chain'. Initiative 14 is therefore appropriate to the 'Strategic' segment. Ref 4.5.
5	A	Incorrect:	Initiative 15 will have an uncertain direct impact on the strategic objectives but it will inform management decision-making and is therefore appropriate to the 'Enabling' segment. Ref 6.3.2.
	B	Incorrect:	Initiative 15 won't have a direct impact on the strategic objectives but it will

			inform management decision-making and is therefore appropriate to the 'Enabling' segment. Ref 6.3.2.
	C	Incorrect:	Initiative 15 won't have a direct impact on the strategic objectives but it will inform management decision-making and is therefore appropriate to the 'Enabling' segment. Ref 6.3.2.
	D	Correct:	Initiative 15 will have an uncertain direct impact on the strategic objectives but it will inform management decision-making and is therefore appropriate to the 'Enabling' segment. Ref 6.3.2.
6	A	Correct:	Initiative 16 is designed to improve customer service and result in increased sales on-line via the 'service profit chain'. It is therefore appropriate to the 'Strategic' segment. Ref 6.3.2.
	B	Incorrect:	Initiative 16 is designed to have a direct impact on the strategic objectives via the 'service profit chain'. It should therefore be classified in the 'Strategic' segment rather than the 'Maintenance' segment as it is not designed to maintain business as usual. Ref 6.3.2.
	C	Incorrect:	Initiative 16 is designed to provide increased sales on-line and so make a significant contribution to the strategic objectives via the 'service profit chain'. It is therefore appropriate to the 'Strategic' segment rather than the 'Maintenance' segment. Ref 6.3.2.
	D	Incorrect:	Initiative 16 is designed to provide increased sales on-line rather than maintain business as usual. It is therefore appropriate to the 'Strategic' segment rather than the 'Maintenance' segment. Ref 6.3.2.

Question: 2, Syllabus: DF, Part: E, Type: AR, Syllabus Ref: DF0401, Level: 4

1	True:	The primary objectives of portfolio management in BigCo include improving prioritization and this is dependent on reliable forecasts. Data collected from post-implementation reviews can be used to improve the reliability of forecasts. Ref 7.2.2.2.	True:	Forecasters tend to underestimate costs and duration, and overestimate benefits. Basing forecasts on a 'reference class' of data has been found to improve initiative forecasting which supports improved portfolio prioritization. The answer is therefore A. Ref 6.4.2 / 7.2.2.2.
2	True:	'Driver-based' analysis will make the implicit value chain underpinning the strategic objectives explicit and so enable the strategic contribution of initiatives designed to improve staff morale and customer service to be assessed more consistently. Ref 4.5.	False:	'Driver-based' analysis will aid strategic alignment by making the value chain explicit. It will not however quantify the strategic contribution of individual initiatives. Ref 4.5.
3	False:	'PESTLE' analysis should have been used as part of the strategic review commissioned by the Chief Executive Officer. It is a technique that is used as part of the 'understand' practice rather than the 'prioritize' practice. Ref 6.2.2.	True:	'PESTLE' analysis is indeed used in undertaking an environmental analysis at a strategic level, by assessing political, economic, social, technological, legal and environmental factors that might influence the organization's choice and achievement of strategic objectives. Ref 6.2.2 / Glossary.

Question: 3, Syllabus: DL, Part: A, Type: MG, Syllabus Ref: DL0301, Level: 3

1	Correct [E]:	This refers to the financial management 'key to success' of 'staged release of funding' to help maintain strategic alignment and minimize risk of wasted expenditure. Ref Table 7.5.
2	Correct [A]:	'Involve stakeholders' is a 'key to success' of the stakeholder engagement practice (Ref Table 7.8) rather than the financial management practice.
3	Correct [D]:	This refers to the financial management 'key to success' of producing business cases in a consistent manner. Ref Table 7.5.
4	Correct [C]:	This refers to the financial management 'key to success' of aligning the portfolio management, strategic planning and financial management cycles. Ref Table 7.5.
5	Correct [G]:	This refers to the financial management 'key to success' of regular reporting of progress (monthly reporting), for inclusion in the Portfolio Dashboard Report. Ref Table 7.5.
6	Correct [A]:	This refers to portfolio risk management, and implementation of standards across the portfolio, but is not one of the 'keys to success' of the financial management practice. Ref 7.5.2.

Question: 3, Syllabus: DL, Part: B, Type: CL, Syllabus Ref: DL0303, Level: 3

1	A	Incorrect:	This relates to a resource dependency and should be recorded in the Portfolio Delivery Plan. Ref 6.6.2 / Appendix D.
	B	Incorrect:	This is a key strategic risk to portfolio delivery and so should be recorded in the Portfolio Strategy. Ref 6.6.2 / Appendix D.
	C	Incorrect:	General arrangements for contingency management may well be reflected in the risk management strategy but the specific level of the contingency budget should be accounted for as part of the Portfolio Financial Plan. Ref 7.4.2.
	D	Correct:	This is an expression of a tolerance level for escalation and as such is appropriate to the portfolio risk management strategy. Ref 7.5.2.
2	A	Incorrect:	This risk only affects the corporate identity and branding initiative rather than representing a risk that runs across the portfolio. Ref 7.5.2.
	B	Incorrect:	This risk only affects the customer service training programme rather than representing a risk that runs across the portfolio and it is unlikely to have a major negative impact on operational performance. Ref 7.5.2.
	C	Correct:	This is an example of an aggregated risk relating to over-exposure to a single supplier and will potentially have an effect across multiple initiatives. It is therefore appropriate to the portfolio risks and issues register. Ref 7.5.2.
	D	Incorrect:	This risk can be managed within the website re-design initiative rather than representing a risk that runs across the portfolio. Ref 7.5.2.
3	A	Incorrect:	This describes a requirement for one of the initiatives, and not a dependency between initiatives, which is the subject of portfolio-level dependency management. Ref Table 7.6.
	B	Correct:	This is a dependency between two initiatives described in the additional information. It is an example of a logical dependency and as such will be documented by the Portfolio Office. Ref Table 7.6.
	C	Incorrect:	This describes a dependency between an initiative producing an improved capability (improved logistics and stock control system) and the realization of a benefit from that initiative (increased efficiency of fulfilling orders). This would only be documented by the Portfolio Office if the realization of the benefit was dependent on actions beyond the scope of the initiative. Ref Table 7.6.
	D	Incorrect:	This is a dependency within the website re-design initiative and would not be recorded at portfolio level where the focus is on key dependencies between initiatives, i.e. those that materially affect the Portfolio Delivery Plan and the Portfolio Benefits Realization Plan. Ref Table 7.6.
4	A	Incorrect:	This is an acceptable way of presenting dependency information. Ref Table 7.6.
	B	Correct:	This would not be appropriate, as it would not ensure that there is acceptance of this dependency by the improved logistics and stock control systems initiative, and recording this on the schedule for a single initiative will not give visibility at portfolio level. Ref Table 7.6.
	C	Incorrect:	This is an acceptable way of presenting dependency information. Ref Table 7.6.
	D	Incorrect:	This is an acceptable way of presenting dependency information. Ref Table 7.6.

Question: 3, Syllabus: DL, Part: C, Type: AR, Syllabus Ref: DL0401, Level: 4

1	True:	According to the scenario, BigCo does not have a standard programme or project management method and resource forecasting is inconsistent. Standards for consistent resource forecasting should therefore be produced. Ref 7.8.2.	True:	Consistent forecasting is essential, therefore standards and templates should be defined to guide programme and project planners. This is the reason for the assertion. The answer is A. Ref Table 7.10.
2	True:	According to the scenario, there is a concern that BigCo are trying to make more changes than the company can handle and accordingly it is appropriate to assess its capacity to absorb this change. Ref 7.8.2.	True:	Limited resources include the organization's capacity to absorb business change. The answer is A. Ref 7.8.2.
3	True:	According to the scenario, there are financial implications of these initiatives given the need to finance external consultancy support. These extra costs should be reflected in the Portfolio Financial Plan. Ref 7.4.2 / 7.8.2 / Appendix E.	False:	It is the Portfolio Resource Schedule that provides a baseline against which to manage demand and supply of limited resources. Ref Appendix E.
4	True:	According to the scenario, the financial resources needed to fund the external consultants are being treated as one of the limited resources within the BigCo portfolio. Ref 7.8.2.	False:	The Portfolio Office will compile a Portfolio Resource Schedule based on the plans of individual initiatives included within the portfolio. Ref Table 7.10.
5	False:	According to the scenario, priority for the limited resources should be given to initiatives 17, 18 and 19 as the other two initiatives are dependent on these. Ref 7.8.2.	True:	The most highly prioritized programmes and projects should be placed first in the queue for limited resources. Ref 7.8.2.
6	False:	According to the scenario, it is progress against the strategic objective to increase on-line sales that should be undertaken at the end of June and December. Portfolio-level reviews should take place at regular intervals but these are not the reviews referred to. Ref Table 7.10.	False:	A good time to review resource requirements is at the portfolio-level reviews and at the stage or phase gate review for each of the initiatives. Ref Table 7.10.

Question: 3, Syllabus: DL, Part: D, Type: CL, Syllabus Ref: DL0401, Level: 4

1	A	Correct:	Having a standard reporting template will help ensure consistent data is reported, but there also needs to be a documented route and schedule for portfolio reporting in order to achieve 'one version of the truth'. Ref 7.2.2.3 / Glossary.
	B	Incorrect:	Whilst it is the responsibility of the Portfolio Manager to prepare regular Portfolio Dashboard Reports based on the initiatives' progress reports, one of the services provided by the Portfolio Office is to define PPM standards, processes and templates. Ref 4.6.
	C	Incorrect:	Having a standard reporting template will help ensure consistent data is reported, but there also needs to be a documented route and schedule for portfolio reporting. Ref 7.2.2.3.
	D	Incorrect:	It is the responsibility of the Portfolio Manager to prepare regular Portfolio Dashboard Reports based on the initiative progress reports. The quality of these reports is dependent upon use of a standard reporting template but also reporting via a documented route and schedule. Ref Appendix B.
2	A	Incorrect:	A 'business change lifecycle' is an organizational process or framework that should be used consistently across the organization. Ref 7.2.2.1 / Glossary.
	B	Incorrect:	It is one of the common misconceptions that portfolio management is a bureaucratic process that prevents or stops programmes and projects for no good reason. Ref 2.6.
	C	Correct:	A 'business change lifecycle', which is used to control delivery of all change initiatives in the portfolio, is central to the management control practice. Ref 7.2.2.1.
	D	Incorrect:	Whilst having a 'business change lifecycle' is central to management control, separate lifecycles could be developed for different categories of initiative. Ref 7.2.2.1.
3	A	Incorrect:	Any potential conflict could be avoided by ensuring that different staff members provide the support and assurance/challenge functions. The 'champion-challenger' model is appropriate because it provides an effective mechanism for engaging stakeholders in the development and application of portfolio practices. Ref 4.6.
	B	Incorrect:	Whilst it is important for the 'business change lifecycle' to be understood and followed, opening it up to challenge encourages stakeholders to provide lessons and engage actively with the portfolio management processes. Ref 7.2.2.1.
	C	Incorrect:	The 'champion-challenger' model enables delivery teams to challenge the existing processes (the existing 'champion') and propose improvements ('challengers') which if accepted become the new 'champion'. Ref 7.2.2.1.
	D	Correct:	Because controlling a 'business change lifecycle' can be complex, the Portfolio Office should provide and facilitate training in, and awareness of, the process and encourage the use of the 'champion-challenger' model to encourage stakeholders to suggest ways of improving the process. Ref 7.2.2.1.
4	A	Incorrect:	Business case templates can help ensure consistent investment appraisal but consideration also needs to be given to the reliability of forecasts of costs and benefits. Ref 7.2.2.2.
	B	Incorrect:	To apply 'reference class' forecasting the organization would need data captured from post-implementation reviews on a consistent basis. As stated in the scenario, BigCo have not collected data on past project performance. Ref 7.2.2.2.
	C	Correct:	Business case guidance (including a standard template and adjustments for 'optimism bias') enables business cases to be created on a consistent basis which in turn enables initiatives to be compared on a 'level playing field', i.e. on

		a consistent basis. Ref 7.2.2.2.
D	Incorrect:	A common problem with forecasts is for the costs and timescales to be underestimated and benefits to be overestimated. Ref 7.2.2.2.

Question: 4, Syllabus: RD, Part: A, Type: MR, Syllabus Ref: RD0301, Level: 3

1	A	Correct:	The financial plan of the Portfolio Delivery Plan will include the profiled capital and operating expenditure budgets for the year. Ref 6.6.2 / 7.4.2.
	B	Incorrect:	Non-cashable efficiency savings will be included in the Portfolio Benefits Realization Plan. Efficiency benefits may be included in the financial plan section of the Portfolio Delivery Plan where they are recycled to fund new initiatives. Ref 7.3.2 / 7.4.2.
	C	Incorrect:	The budget for the Finance directorate is a BAU expense and won't appear in the Portfolio Delivery Plan. Ref 6.6.2 / 3.2.
	D	Incorrect:	The financial plan section of the Portfolio Delivery Plan focuses on the year ahead. Longer-term, overview financial plans will be included in the Portfolio Strategy. Ref 6.6.2 / Appendix E.
	E	Correct:	The financial plan of the Portfolio Delivery Plan will include the profiled capital and operating expenditure budgets for the year. Ref 6.6.2 / 7.4.2.
2	A	Incorrect:	This is a generic risk and is appropriate to the key risks mitigation action plan section. Ref Table 7.7. The Portfolio Delivery Plan focuses on key dependencies, i.e. those that materially affect the portfolio delivery schedule and Portfolio Benefits Realization Plan. Ref Appendix E / Table 7.6.
	B	Correct:	The Portfolio Delivery Plan focuses on key dependencies, i.e. those that materially affect the portfolio delivery schedule and Portfolio Benefits Realization Plan. This is an example of a logical dependency. Ref Appendix E / Table 7.6.
	C	Incorrect:	This is a mitigating action to address the risk of inadequate dependency management and is appropriate to the key risk mitigation action plan section. Ref 7.7 / Appendix E. The Portfolio Delivery Plan focuses on key dependencies, i.e. those that materially affect the portfolio delivery schedule and Portfolio Benefits Realization Plan. Ref Appendix E / Table 7.6.
	D	Correct:	The Portfolio Delivery Plan focuses on key dependencies, i.e. those that materially affect the portfolio delivery schedule and Portfolio Benefits Realization Plan. This is an example of a logistical dependency. Ref Appendix E / Table 7.6
	E	Incorrect:	This is a generic risk and is appropriate to the key risks mitigation action plan section. Ref Table 7.7 / Appendix E. The Portfolio Delivery Plan focuses on key dependencies, i.e. those that materially affect the portfolio delivery schedule and Portfolio Benefits Realization Plan. Ref Appendix E / Table 7.6.
3	A	Incorrect:	Achievement of a maturity rating relates to an assessment of process adequacy. The portfolio benefits realization plan section of the Portfolio Delivery Plan is a summary of the benefits to be realized in the year ahead, and when. Ref 7.3.2.2 / Appendix E.
	B	Incorrect:	This is appropriate to the Portfolio Benefits Management Framework. Ref Appendix E. The portfolio benefits realization plan section of the Portfolio Delivery Plan is a summary of the benefits to be realized in the year ahead, and when. Ref 7.3.2.2 / Appendix E.
	C	Correct:	The portfolio benefits realization plan section of the Portfolio Delivery Plan is a summary of the benefits to be realized in the year ahead, and when. This will include reductions in operating costs in the central functions. Ref 7.3.2.2 / Appendix E.
	D	Incorrect:	This is an initiative level milestone. The portfolio benefits realization plan section of the Portfolio Delivery Plan is a summary of the benefits to be realized in the

			year ahead, and when. Ref 7.3.2.2 / Appendix E.
	E	Correct:	The portfolio benefits realization plan section of the Portfolio Delivery Plan is a summary of the benefits to be realized in the year ahead, and when. This will include quantified improvements in brand awareness. Ref 7.3.2.2 / Appendix E.
4	A	Correct:	The key risks mitigation action plan section of the Portfolio Delivery Plan focuses on key portfolio-level risks and their mitigation. This is an example of an aggregated risk and is therefore appropriate to this section. Ref Appendix E / 6.6.2.
	B	Incorrect:	This is appropriate to the Portfolio Management Implementation Plan. The key risks mitigation action plan section of the Portfolio Delivery Plan focuses on key portfolio-level risks and their mitigation. Ref Appendix E / 6.6.2.
	C	Correct:	The key risks mitigation action plan section of the Portfolio Delivery Plan focuses on key portfolio-level risks and their mitigation. This is an example of a generic risk and is therefore appropriate to this section. Ref Appendix E / 6.6.2.
	D	Incorrect:	This is an initiative-level risk. The key risks mitigation action plan section of the Portfolio Delivery Plan focuses on key portfolio-level risks and their mitigation. Ref Appendix E / 6.6.2.
	E	Incorrect:	This is an initiative-level risk assessment. The key risks mitigation action plan section of the Portfolio Delivery Plan focuses on key portfolio-level risks and their mitigation. Ref Appendix E / 6.6.2.
5	A	Correct:	The high-level resource plan/schedule section of the Portfolio Delivery Plan focuses on the balance between demand and supply for limited resources. Ref Appendix E / 6.6.2 / 7.8.2.
	B	Incorrect:	The focus of the high-level resource plan/schedule section of the Portfolio Delivery Plan is on those resources required to ensure portfolio delivery, rather than those resources engaged in managing delivery. Ref Appendix E / 6.6.2 / 7.8.2.
	C	Incorrect:	The focus of the high-level resource plan/schedule section of the Portfolio Delivery Plan is on those resources required to ensure delivery at a portfolio-level rather than at an individual initiative level. Ref Appendix E / 6.6.2 / 7.8.2.
	D	Incorrect:	Financial requirements are addressed in the financial plan section. The high-level resource plan/schedule section of the Portfolio Delivery Plan focuses on the balance between demand and supply for other limited resources. Ref Appendix E / 6.6.2 / 7.8.2.
	E	Correct:	The high-level resource plan/schedule section of the Portfolio Delivery Plan focuses on the balance between demand and supply for limited resources. Ref Appendix E / 6.6.2 / 7.8.2.

Question: 4, Syllabus: RD, Part: B, Type: MR, Syllabus Ref: RD0301, Level: 3

1	A	Correct:	This describes an objective of portfolio stakeholder engagement, i.e. ensuring that stakeholders' needs are identified by proactively involving them in the design and development of relevant initiatives. Ref 7.6.2.
	B	Incorrect:	This is the purpose of the Portfolio Stakeholder Engagement and Communication Plan. Ref Appendix E.
	C	Incorrect:	This is the vision of BigCo, not the objective of portfolio stakeholder engagement and communication. Ref Appendix E.
	D	Incorrect:	This is a high-level benefit target, and should be recorded in the Portfolio Benefits Realization Plan. Ref Appendix E.
	E	Correct:	This describes an objective of portfolio stakeholder engagement, i.e. ensuring that there is senior management commitment to portfolio management. Ref 7.6.3.
2	A	Incorrect:	This statement relates to responsibilities for portfolio progress reporting and, as such, is not appropriate to the key stakeholder groups section of the Stakeholder Engagement and Communication Plan. Ref Appendix E.
	B	Correct:	This statement identifies a key stakeholder group and includes an analysis of the degree of their interest and their ability to influence. Ref 7.6.2.
	C	Incorrect:	This statement describes how a specific stakeholder group will be engaged and, as such, is appropriate to the media to be used for each stakeholder group section. Therefore, the statement is not appropriate to the key stakeholder group heading. Ref Appendix E.
	D	Correct:	This statement identifies a key stakeholder group and includes an analysis of the degree of their interest and their ability to influence. Ref 7.6.2.
	E	Incorrect:	This statement describes how a specific stakeholder group will be engaged and, as such, is appropriate to the media to be used for each stakeholder group section. Therefore, the statement is not appropriate to the key stakeholder group heading. Ref Appendix E.
3	A	Incorrect:	This statement concerns responsibility for communicating consistent messages and does not relate to the media to be used for each stakeholder group. Ref 7.6.2 / Appendix E.
	B	Incorrect:	This statement describes the collaborative working between the Portfolio Office and the organization's communication experts, but not how the key messages will be communicated to specific stakeholder groups. Ref 7.6.2.
	C	Correct:	This statement outlines how key messages will be communicated to a key stakeholder group. Ref 7.6.2.
	D	Incorrect:	This statement describes the approach to implementing the Stakeholder Engagement and Communication Plan rather than how key messages will be communicated to specific stakeholder groups. Ref 7.6.2.
	E	Correct:	This statement outlines how key messages will be communicated to a key stakeholder group. Ref 7.6.2.

Question: 4, Syllabus: RD, Part: C, Type: CL, Syllabus Ref: RD0302, Level: 3

1	A	Correct:	This is an example of championing the implementation of portfolio management by being visibly involved in portfolio communications. Ref Appendix B / 7.6.2.
	B	Incorrect:	Leading the preparation of the Stakeholder Engagement and Communication Plan is a responsibility of the Portfolio Manager. Ref Appendix B.
	C	Incorrect:	Approving communications on portfolio progress is a responsibility of the Portfolio Progress Group. Ref Appendix B.
	D	Incorrect:	Agreeing the Portfolio Management Framework (of which the Stakeholder Engagement and Communication Plan is a part) is a responsibility of the Portfolio Investment Committee. Ref Appendix B / 7.6.2.
2	A	Incorrect:	Providing training and awareness-building sessions on the application of the Portfolio Benefits Management Framework is a responsibility of the Portfolio Benefits Manager. Ref Appendix B.
	B	Incorrect:	Promoting an energized culture that is focused on collaborative working is a responsibility of the Portfolio Director. Ref Appendix B.
	C	Correct:	This is an example of identifying improvements to portfolio management practices (which is a Portfolio Manager responsibility) by adopting the 'champion-challenger' model. Ref Appendix B / 7.6.2.
	D	Incorrect:	Championing the implementation of portfolio management across the organization is a responsibility of the Portfolio Director. Ref Appendix B.

Question: 4, Syllabus: RD, Part: D, Type: MR, Syllabus Ref: RD0401, Level: 4

1	A	Incorrect:	This is a valid description of the high-level benefits of the portfolio. Ref 7.3.2 / Appendix D.
	B	Correct:	According to the scenario, BigCo's on-line business is below 10% compared to 25% for their competitors. This would therefore be regarded as a key benefit area. Ref 7.3.2 / Appendix E.
	C	Correct:	This does express a measurable benefit and is an appropriate description of the high-level benefits of the portfolio. Ref 7.3.2 / Appendix E.
	D	Incorrect:	This does describe a non-cashable benefit but it is a valid description of the high-level benefits of the portfolio. Ref 7.3.2 / Appendix E.
	E	Incorrect:	This is a valid description of the high-level benefits of the portfolio. Ref 7.3.2 / Appendix E.
2	A	Correct:	According to the scenario, BigCo's business priorities include bringing costs under control. This describes a high-level benefit that the portfolio is designed to achieve. Ref 7.3.2 / Appendix E.
	B	Incorrect:	This describes a high-level benefit that the portfolio is designed to achieve. It does not describe responsibilities for benefit tracking and reporting. Ref 7.3.2 / Appendix E.
	C	Correct:	It would be appropriate to measure both financial and non-financial benefits. The business priorities include increasing sales, controlling costs and improving cross-organizational working. Ref 7.3.2 / Appendix E.
	D	Incorrect:	It would be appropriate for each initiative to measure both financial and non-financial benefits. The business priorities include increasing sales, controlling costs and improving cross-organizational working. Ref 7.3.2 / Appendix E.
	E	Incorrect:	The rules for benefits measurement should be prepared for the portfolio as a whole. Individual initiatives should therefore not set their own rules for benefit eligibility. Ref 7.3.2 / Appendix E.
3	A	Incorrect:	This does describe what benefits will be measured at portfolio-level. However, it is referring to benefits eligibility guidance so should be in Section B. Ref 7.3.2 / Appendix E.
	B	Correct:	This is referring to benefits eligibility guidance so it should be in Section B. Ref 7.3.2 / Appendix E.
	C	Incorrect:	Measurement against corporate objectives is likely to take place at a stage/phase gate review. However, this is referring to benefits eligibility guidance and so it should be in Section B. Ref 7.3.2 / Appendix E.
	D	Correct:	This is referring to benefits eligibility guidance and so should be in Section B. Ref 7.3.2 / Appendix E.
	E	Incorrect:	Responsibilities for benefits identification would be documented in Section D. Ref Appendix E.
4	A	Incorrect:	Responsibilities for business case approval should be clear. However, this is describing how approval of the business case aligns to the 'business change lifecycle' and so it should be shown in Section C. Ref 7.3.2 / Appendix E.
	B	Correct:	This does describe how approval of the business case aligns to the 'business change lifecycle' so it should be shown in Section C. Ref 7.3.2 / Appendix E.
	C	Incorrect:	This does not describe benefit eligibility rules. It describes how approval of the business case aligns to the 'business change lifecycle' and so should be shown in Section C. Ref 7.3.2 / Appendix E.
	D	Correct:	The Portfolio Benefits Management Framework should include a clear description of how initiatives should report benefits via the Portfolio Office. Ref 7.3.2 / Appendix E.

	E	Incorrect:	There is no requirement to align Portfolio Dashboard reporting to stage/phase gates. Ref 7.3.2 / Appendix E.
5	A	Incorrect:	This is describing requirements for benefits evaluation as part of the 'business change lifecycle' and so should be contained in Section C. Ref 7.3.2 / Appendix E.
	B	Correct:	This information should be contained in Section C because it is describing the requirements for benefits review beyond initiative closure and post- implementation review is part of the 'business change lifecycle'. Ref 7.3.2 / Appendix E.
	C	Incorrect:	This is referring to processes within the 'business change lifecycle' and so should be contained in Section C. Ref 7.3.2 / Appendix E.
	D	Incorrect:	This is not describing roles for benefits management. It is referring to stakeholder categorization and should be documented in the Portfolio Stakeholder Engagement and Communication Plan. Ref 7.6.2 / Appendix E.
	E	Correct:	This is referring to stakeholder categorization and should be documented in the Portfolio Stakeholder Engagement and Communication plan. Ref 7.6.2 / Appendix E.

Question: 4, Syllabus: RD, Part: E, Type: AR, Syllabus Ref: RD0402, Level: 4

1	True:	The Portfolio Manager should ensure that dependencies are managed effectively, identifying constraints within the portfolio and working to overcome them, and escalating issues where required. Ref Appendix B. From the additional information, initiative 1 may impact on initiative 4's ability to deliver, so this is something that needs to be reviewed with the managers of the initiatives, so that the Portfolio Manager can decide whether any action is appropriate.	True:	The Portfolio Manager is responsible for ensuring that dependencies are effectively managed, and issues escalated where required. Ref Appendix B. This is a valid reason for the assertion, therefore the answer is A.
2	False:	The manager of an initiative should provide progress reports to the Portfolio Office in the required format and to the agreed schedule. Ref 7.2.2.3. The Portfolio Manager prepares the Portfolio Dashboard Report for distribution to the Portfolio Investment Committee and Portfolio Progress Group. Ref Appendix B.	True:	The Portfolio Benefits Manager does provide assurance on the effectiveness of benefits management practices at project and programme level. Ref Appendix B.
3	True:	The Portfolio Investment Committee is responsible for funding decisions. Ref Appendix B. The additional information states that the planned phase gate is to seek approval for further funding.	True:	Although the Portfolio Progress Group would normally attend the stage/phase gate review, the Portfolio Direction Group (PDG) / Investment Committee (IC) are also involved because they are required to approve the release of funding for initiatives in this scenario. This is not explained by the reason given that the PDG/IC are involved to confirm that the initiative remains on course to deliver the desired strategic benefits. So the answer is B. Ref Appendix B.
4	False:	The Portfolio Progress Group should monitor spend against profiled budget and take effective action to address overspends. Ref Appendix B.	False:	The Portfolio Progress Group makes recommendations to the Portfolio Investment Committee for the termination of initiatives where justified. Ref Appendix B.
5	True:	The Portfolio Progress Group monitors and approves changes to benefits forecasts. Ref Appendix B. From the scenario attachment, resources have been taken from initiative 5 because of the downgrade in priority. Therefore original plans and targets may no longer be valid.	False:	All initiatives within the portfolio should be included in summary reports such as the Portfolio Dashboard Reports, which are then sent to the Portfolio Investment Committee and Portfolio Progress Group. Ref 7.2.2.3 / Appendix B.