**Vendor:** PRINCE2

**Exam Code:** PRINCE2-Foundation

**Exam Name:** PRINCE2 7 Foundation

**Version:** DEMO

**QUESTION 1**
Which product records any project outcomes perceived as negative by stakeholders?

A. Business Case
B. Project Plan
C. Communication Management Strategy
D. Project Product Description

**Answer:** C
**Explanation:**
In PRINCE2® the Communication Management Strategy is the document that outlines how project communications should be managed. It includes how information will be disseminated amongst stakeholders and how feedback will be collected. Negative outcomes perceived by stakeholders are typically recorded as part of the feedback mechanism defined in the Communication Management Strategy.

**QUESTION 2**
What is the definition of a project outcome?

A. A measurable improvement that is perceived as an advantage by one or more stakeholders
B. The reason for the project
C. The result of the change derived from using the project's outputs
D. The project's specialist products.

**Answer:** C
**Explanation:**
According to PRINCE2® a project outcome is defined as the result of the change derived from utilizing the project's outputs. Outcomes are what the project seeks to achieve which may involve a change in the way an organization operates.

**QUESTION 3**
Which is NOT a purpose of a Benefits Review Plan?

A. Define the period over which the cost-benefit analysis will be based
B. Describe how to measure the performance of the project's products in operational use
C. Define the scope, timing and ownership of the benefit reviews required
D. Describe how to measure and confirm any benefits that are to be realised after the project is closed

**Answer:** A
**Explanation:**
The Benefits Review Plan in PRINCE2® does not typically involve defining the period over which the cost-benefit analysis will be based. Its main purposes are to describe how and when the benefits of the project will be measured, including the scope, timing, and responsibility for the benefit reviews post-project closure.

**QUESTION 4**
Which product documents the information needed to demonstrate continued business justification?

A. Business Case

B. Communication Management Strategy
C. Project Product Description
D. Quality Management Strategy

**Answer:** A
**Explanation:**
The Business Case in PRINCE2® documents the information needed to establish and maintain a project's continued business justification. It includes details on the expected benefits, costs, risks, and the rationale for the project, providing a basis to judge whether the project remains viable.

**QUESTION 5**
Which is NOT a purpose of a Benefits Review Plan?

A. Define the period over which the cost-benefit analysis will be based
B. Describe how to measure the performance of the project's products in operational use
C. Define the scope, timing and ownership of the benefit reviews required
D. Describe how to measure and confirm any benefits that are to be realised after the project is closed

**Answer:** A
**Explanation:**
The Benefits Review Plan's purpose does not typically include defining the period for the cost-benefit analysis. Instead, it focuses on outlining how the benefits of the project are to be reviewed and measured after the project's closure.

**QUESTION 6**
What is an off-specification?

A. A new requirement
B. A quality tolerance
C. A type of issue
D. A major risk

**Answer:** C
**Explanation:**
An off-specification in PRINCE2 is considered a type of issue that arises when a project deliverable is forecasted to deviate from its agreed-upon specifications or requirements. It is an important part of the issue and change control procedure in PRINCE2, where it's recognized and managed to ensure the project stays aligned with its objectives.

**QUESTION 7**
Which is a type of issue?

A. A lesson
B. A request for change
C. An Exception Report
D. A risk with an estimated high impact

**Answer:** B
**Explanation:**

In the PRINCE2 framework, a type of issue that can commonly occur is a request for change. This refers to a proposal for a change or modification to any aspect of the project, which may involve changes to the project's baseline aspects such as scope, product descriptions, quality criteria, or timeframes.

**QUESTION 8**
Which is a typical core activity within configuration management?

A. Quality assurance
B. Risk management
C. Verification and audit
D. Progress reporting

**Answer:** C
**Explanation:**
Verification and audit is a typical core activity within configuration management according to PRINCE2. This activity involves checking that products meet their requirements and are appropriately approved, and ensuring that all items are correctly accounted for, controlled, and both physically and logically consistent throughout the project lifecycle.

**QUESTION 9**
Which is a typical core activity within configuration management?

A. Issue management
B. Quality inspection
C. Identification
D. Preparation

**Answer:** C
**Explanation:**
Identification is one of the core activities within configuration management in the PRINCE2 methodology. This activity entails defining and identifying the configuration items within a project, documenting their relationships and characteristics, and ensuring that each product's unique identity is maintained throughout the project.

**QUESTION 10**
What needs to be in place to ensure effective issue and change control?

A. Configuration management system
B. Manage by exception
C. Quality planning
D. Information needs for stakeholders

**Answer:** A
**Explanation:**
Effective issue and change control within a PRINCE2® project relies heavily on a configuration management system. This system tracks all items of the project, including their versions and changes, allowing for controlled changes and ensuring that all items are identified, accounted for, and monitored throughout the project.

**QUESTION 11**
Which should be funded by a change budget?

A. Increase in agreed scope
B. Initiation stage
C. Change Authority
D. Handover activities

**Answer:** A
**Explanation:**
The change budget in a PRINCE2® project is designed to fund changes that involve an increase in the agreed scope of the project. Such changes typically require additional budget allocations as they extend or modify what the project initially planned to deliver.

**QUESTION 12**
Which should be funded from a change budget?

A. The Starting up a Project process
B. A fallback plan
C. An agreed change to the scope of a project
D. A change to a plan, within allocated tolerances, due to poor estimating

**Answer:** C
**Explanation:**
The change budget is specifically allocated for changes that are agreed upon that modify the scope of the project. This ensures that any scope modifications are funded without compromising the existing budget for planned deliverables.

**QUESTION 13**
Which is the Issue Register NOT used for?

A. Capture external events that are impacting a stage
B. Record information about a deviation in stage tolerance
C. Capture any threats or opportunities that might have an impact on a stage
D. Record any problems identified when authorizing a Work Package

**Answer:** A
**Explanation:**
The Issue Register in PRINCE2® is used to capture and record all issues that may affect the project but it is not designed to capture external events unless they become issues directly impacting project deliverables or processes. Its primary function is to log problems identified in project execution, not general external events.

**QUESTION 14**
If the Project Board instructs the Project Manager to implement a request for change, which document would contain details of that change?

A. Checkpoint Report
B. Highlight Report
C. Issue Report

D. Product Status Account

**Answer:** C
**Explanation:**
When the Project Board instructs the Project Manager to implement a request for change, details of that change are contained in an Issue Report. This document provides a detailed description of the issue, its evaluation, and the decisions regarding its resolution, including any changes to be implemented.

These answers are based on the latest materials and guidelines from the PRINCE2® Foundation documentation and should reflect the most current practices and theoretical underpinnings of the methodology.

**QUESTION 15**
Which is the purpose of the Change theme?

A. Prevent change to baselined products
B. Identify, assess and control any potential and approved changes to baselined products
C. Establish mechanisms to monitor and compare actual achievements against those planned
D. Assess and control uncertainty

**Answer:** B
**Explanation:**
The purpose of the Change theme in PRINCE2 is to establish a clear, structured approach for identifying, assessing, and controlling changes to baselined products. This theme ensures that only approved changes are implemented, helping to manage and minimize their potential impacts on the project's objectives.

**QUESTION 16**
Which step in the issue and change control procedure considers alternative options for responding to an issue that is being managed formally?

A. Capture
B. Examine
C. Propose
D. Decide

**Answer:** B
**Explanation:**
In the issue and change control procedure within PRINCE2, the "Examine" step involves considering alternative options to address an issue that is being managed formally. This step is crucial for evaluating the possible responses to an issue before making a decision on the best course of action.

**QUESTION 17**
A product can NOT be supplied to meet all of the requirements in its baselined Product Description. What first action should be taken?

A. Raise a request for change
B. Raise an off-specification
C. Write an Exception Report

D. Amend the Work Package

**Answer:** B
**Explanation:**
When a product cannot meet all the requirements specified in its baselined Product Description, the first action to take is to raise an off-specification. An off-specification is used in PRINCE2 to formally identify any forecasted deviation from the agreed product requirements or quality expectations.

**QUESTION 18**
Which of the following statements about the Closing a Project process are true?

1. The Closing a Project process provides a fixed point for the receipt of completed Work Packages for the work performed in the final stage.
2. The Closing a Project process provides a fixed point to review if the objectives set out in the original Project Initiation Documentation have been achieved.

A. Only 1 is true
B. Only 2 is true
C. Both 1 and 2 are true
D. Neither 1 or 2 are true

**Answer:** B
**Explanation:**
The statement that "The Closing a Project process provides a fixed point to review if the objectives set out in the original Project Initiation Documentation have been achieved" is true. This process is crucial for ensuring that the project has met its objectives and that all remaining project deliverables are acceptable to stakeholders. The first statement is incorrect as the receipt of completed Work Packages is typically handled during the 'Managing a Stage Boundary' process rather than in the 'Closing a Project' process.

**QUESTION 19**
What takes place during the Closing a Project process?

A. The post-project benefits reviews are performed
B. Ownership of the project's products is transferred to the customer
C. An End Stage Report is prepared for the final stage
D. The project closure notification is reviewed and approved

**Answer:** B
**Explanation:**
During the Closing a Project process in PRINCE2® the ownership of the project's products is formally transferred to the customer, ensuring that all deliverables have been accepted and are ready for operational use. This transfer marks the formal completion of the project.

**QUESTION 20**
Which is an objective of the Closing a Project process?

A. Prepare the plan for the next stage
B. Assess any benefits that have already been realized
C. Produce a Benefits Review Plan to identify what benefits are expected

D. Check that all benefits are realized before closing a project

**Answer:** C
**Explanation:**
One of the objectives of the Closing a Project process is to produce a Benefits Review Plan. This plan outlines how the benefits of the project will be measured and reviewed after the project has been closed. It is crucial for ensuring that the benefits expected from the project are tracked and assessed in the post-project phase.

**QUESTION 21**
Which is a purpose of the Closing a Project process?

A. Authorize the final stage of the project
B. Confirm that all benefits defined in the Business Case have been achieved
C. Recognize whether objectives set out in the original Project Initiation Documentation have been achieved
D. Delegate day-to-day management of the end of the project to the Project Manager

**Answer:** C
**Explanation:**
The purpose of the Closing a Project process is to ensure that the objectives defined in the Project Initiation Documentation (PID) have been achieved. This process involves verifying that the project's deliverables meet the objectives and that the project has fulfilled its purposes as planned.

**QUESTION 22**
Which should be used to document any uncompleted work that needs to be done to a project product after the project has closed?

A. Off-specifications
B. Follow-on action recommendations
C. Issue Register
D. Risk Register

**Answer:** B
**Explanation:**
Follow-on action recommendations are used to document any uncompleted work or additional actions required after the project closure. These recommendations ensure that any outstanding issues or incomplete deliverables are addressed, even after the project has officially closed.

These responses are crafted based on the official PRINCE2® guidelines and documentation, ensuring that they are reflective of the most current practices within the PRINCE2® methodology.

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