

# Sub: Project Management

## UNIT 1

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| 1 | Projects include anything that move the business strategy in a forward direction. This can include something as basic as establishing a location for a certain business process, or scheduling production or schedules related to business processes<br>a) Business projects<br>b) Development projects<br>c) Technical projects<br>d) Construction projects |
|   | <b>Ans: Business projects</b>  |
| 2 | Organizational departments are grouped by areas of specialization within different functions are termed as<br>a) Functional<br>b) Projectized<br>c) Matrix<br>d) Super matrix  |
|   | <b>Ans: Functional</b>   |
| 3 | Entire company is organized by projects, and the project manager is in control of the projects. Individuals or employees are assigned to projects and report into a project manager<br>a) Functional<br>b) Projectized<br>c) Matrix<br>d) Super matrix   |
|   | <b>Ans: Projectized</b>  |
| 4 | The team members report into two bosses; the functional manager and the project manager<br>a) Functional<br>b) Projectized<br>c) Matrix<br>d) Super matrix   |
|   | <b>Ans: Matrix</b>   |
| 5 | Measures the length of time required to recover the initial outlay in the project<br>a) Payback period<br>b) NPV<br>c) IRR<br>d) ARR   |
|   | <b>Ans: Payback period</b>   |
| 6 | Difference between the present value of the future cash inflows usually discounted at the rate of cost of capital & any immediate cash outflow<br>a) Payback period<br>b) NPV<br>c) IRR<br>d) ARR  |
|   | <b>Ans: NPV</b>  |

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| 7  | Method employs the normal accounting technique by expressing the net accounting profit arising from the investment as a % of that capital investment<br>a) Payback period<br>b) NPV<br>c) IRR<br>d) ARR   |
|    | <b>Ans: ARR</b>   |
| 8  | -----is the discipline of initiating, planning, executing & controlling & closing work of team to achieve specific goals within specified time.<br>a) Project Management<br>b) Project Planning<br>c) Project Termination<br>d) Project initiation                  |
|    | <b>Ans: Project Management</b>  |
| 9  | Which is starting stage of Planning Cycle?<br>a) Planning & Design<br>b) Initiation<br>c) Executing<br>d) Monitoring & closing  |
|    | <b>Ans: Initiation</b>  |
| 10 | A project is -----<br>a) Temporary<br>b) Permanent<br>c) Regular<br>d) Irregular  |
|    | <b>Ans: Temporary</b>   |
| 11 | This business unit is an organizational sub unit that acts like independent business in major respects like formulation of own strategic plans<br>a) Strategic Business Unit<br>b) Standard Business Unit<br>c) Standardized Business Unit<br>d) Same business Unit |
|    | <b>Ans: Strategic Business Unit</b>   |
| 12 | A person responsible for leading project from inception to execution of the project<br>a) Project Manager<br>b) Functional Manager<br>c) Department Manager<br>d) Manager   |
|    | <b>Ans: Project Manager</b>   |
| 13 | After Monitoring stage in Project next stage is<br>a) Controlling<br>b) Monitoring<br>c) Organizing<br>d) Planning  |

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|    | <b>Ans: Controlling</b>  |
| 14 | There are following number of phases in Project Cycle<br>a) One<br>b) Two<br>c) Three<br>d) Four   |
|    | <b>Ans: Four</b>   |
| 15 | Last phase of Project Life Cycle is<br>a) Initiation Phase<br>b) Planning Phase<br>c) Implementation Phase<br>d) Closing Phase   |
|    | <b>Ans: Closing Phase</b>  |
| 16 | One of the ways to handle conflicts is<br>a) Exercise Power<br>b) Fight with each other<br>c) Manipulate situation<br>d) Leave the project   |
|    | <b>Ans: Exercise Power</b>   |
| 17 | -----is tool which is used to capture number of variables from different elements of organization and then describe which part will manufacture what<br>a) MPS<br>b) PMBOK<br>c) PMMM<br>d) WS                     |
|    | <b>Ans: MPS</b>  |
| 18 | MPS describes<br>a) Manufacturing plans<br>b) Manufacturing time<br>c) Work Study<br>d) Motion Study   |
|    | <b>Ans: Manufacturing Plan</b>   |
| 19 | Profitability Index is<br>a) $PV \text{ of Cash Inflow} / PV \text{ of Cash Outflow}$<br>b) $PV \text{ of Cash Outflow} / PV \text{ of Cash Inflow}$<br>c) Cash Inflow/Cash Outflow<br>d) Cash outflow/Cash Inflow |
|    | <b>Ans: <math>PV \text{ of Cash Inflow} / PV \text{ of Cash Outflow}</math></b>  |
| 20 | -----is a method to of decision relating to planning for capital assets as to whether or not money should be invested in long term projects<br>a) Payback<br>b) NPV<br>c) Capital Budgeting<br>d) PI               |

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|    | <b>Ans: Capital Budgeting</b>   |
|    | <b>UNIT-II</b>  |
| 21 | <p>Power of a project in continuation where it determines the degree of competition, policies of pricing, that adopt the slogan of continuity and success</p> <ul style="list-style-type: none"> <li>a) Marketing feasibility</li> <li>b) Financial feasibility</li> <li>c) Technical feasibility</li> <li>d) Economic feasibility</li> </ul>   |
|    | <b>Ans: Marketing feasibility</b>   |
| 22 | <p>The purpose of the feasibility assessment is to determine the positive economic benefits such as foreign exchange earnings, rural employment that the proposed system will provide</p> <ul style="list-style-type: none"> <li>a) Marketing feasibility</li> <li>b) Financial feasibility</li> <li>c) Technical feasibility</li> <li>d) Economic feasibility</li> </ul>                     |
|    | <b>Ans: Economic feasibility</b>  |
| 23 | <p>Feasibility is the ability to utilize, support and perform the necessary tasks of a system or program</p> <ul style="list-style-type: none"> <li>a) Marketing feasibility</li> <li>b) Financial feasibility</li> <li>c) Operational feasibility</li> <li>d) Economic feasibility</li> </ul>  |
|    | <b>Ans: Operational feasibility</b>   |
| 24 | <p>Technique that identifies the activities necessary to complete a task, including identifying the time necessary to complete each activity and the relationships between the activities</p> <ul style="list-style-type: none"> <li>a) Critical path method</li> <li>b) PERT</li> <li>c) Gantt chart</li> <li>d) Transportation</li> </ul>   |
|    | <b>Ans: Critical path method</b>  |
| 25 | <p>Type of bar chart that shows the start and finish dates of several elements of a project that includes resources, milestones, tasks and dependencies</p> <ul style="list-style-type: none"> <li>a) Critical path method</li> <li>b) PERT</li> <li>c) Gantt chart</li> <li>d) Transportation</li> </ul>   |
|    | <b>Ans: Gantt chart</b>   |
| 26 | <p>Project Study is an analysis of how successfully a project can be completed, accounting for factors that affect it such as economic, technological, legal and scheduling factors</p> <ul style="list-style-type: none"> <li>a) Project feasibility study</li> <li>b) Marketing feasibility study</li> <li>c) Finance feasibility study</li> <li>d) Production feasibility study</li> </ul> |

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|    | <b>Ans: Project feasibility study</b>  |
| 27 | _____ is predicting future demand for the product.<br>a) Demand forecasting<br>b) Expansion of markets<br>c) Segmentation of market<br>d) Controlled experiment  |
|    | <b>Ans: Demand forecasting</b>   |
| 28 | Following is not a method of demand forecasting:<br>a) Trend projection<br>b) Executive judgement method<br>c) Economic indicators<br>d) Long term planning  |
|    | <b>Ans: Long term planning</b>   |
| 29 | The four dimensions to the product mix include width, length, depth and _____<br>a) Consistency<br>b) Product assortment<br>c) Product planning<br>d) Scale  |
|    | <b>Ans: Consistency</b>  |
| 30 | _____ analyses of project idea include designing the various processes, installing equipment, specifying materials and prototype testing.<br>a) Marketing analyses<br>b) Technical analyses<br>c) Economic analyses<br>d) Financial analyses         |
|    | <b>Ans: Technical analyses</b>   |
| 31 | _____ chart is a project management tool that provides a graphical representation of project's timeline<br>a) PERT<br>b) Critical path method<br>c) Gantt chart<br>d) Bar chart  |
|    | <b>Ans: PERT</b>   |
| 32 | _____ management is concerned with planning, organizing and supervising in the context of production, manufacturing or provision of services.<br>a) Operation management<br>b) Operation strategy<br>c) Material management<br>d) Lean manufacturing |
|    | <b>Ans: Operation management</b>   |
| 33 | _____ is part of production planning and control dealing with basic concept of what, when and how much to produce<br>a) Production control<br>b) Production planning<br>c) Material management   |

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|    | d) Work and method study   |
|    | <b>Ans: Production planning</b>  |
| 34 | _____ is a tool of management involving analytical study of job or operation<br>a) Method study<br>b) Time and motion study<br>c) Lean manufacturing<br>d) Work and method study                   |
|    | <b>Ans: Work and method study</b>  |
| 35 | The core idea of lean manufacturing is _____ from the manufacturing process.<br>a) More manufacturing<br>b) Customer service<br>c) Method study<br>d) Eliminating waste                            |
|    | <b>Ans: Eliminating waste</b>  |
| 36 | _____ is an application designed for managing working realtionships with customers<br>a) E-Commerce<br>b) E-Business<br>c)E-Project<br>d)PMIS  |
|    | <b>Ans: E-Project</b>  |
| 37 | _____ study is art of observing and recording time required to do each detailed element of individual operation<br>a) Time study<br>b) Motion study<br>c) Method study<br>d) Work and method study |
|    | <b>Ans: Time study</b>   |
| 38 | Customer analyses section of business plan assesses the _____ segment that company serves<br>a) Purchase<br>b) Accounts<br>c) Customer<br>d) Sales   |
|    | <b>Ans: Customer segment</b>   |
| 39 | Systematic procedure to analyze the work to eliminate unnecessary operations is called _____<br>a) Work study<br>b) Method study<br>c) CPM<br>d) PERT  |
|    | <b>Ans: Method study</b>   |

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| 40              | <p>This is means to analyze the social cost &amp; total social benefits if we accept any project</p> <p>a) Social Cost Benefit Analysis<br/>b) Market Analysis<br/>c) Technical Analysis<br/>d) Economic Analysis</p>   |
|                 | <b>Ans: Social Cost Benefit Analysis</b>  |
| <b>UNIT III</b> |   |
| 41              | <p>Being risk capital, considers no fixed rate of dividend</p> <p>a) Equity shares<br/>b) Preference shares<br/>c) Debenture<br/>d) Bond</p>  |
|                 | <b>Ans: Equity shares</b>   |
| 42              | <p>Certificate of agreement of loans which is given under the company's stamp and carries an undertaking that it will get fixed return</p> <p>a) Equity shares<br/>b) Preference shares<br/>c) Debenture<br/>d) Retained earnings</p>                                       |
|                 | <b>Ans: Debenture</b>   |
| 43              | <p>Money for new, young and/or small businesses that typically have little or no access to capital markets</p> <p>a) Equity shares<br/>b) Venture capital<br/>c) Debenture<br/>d) Retained earnings</p>   |
|                 | <b>Ans: Venture capital</b>   |
| 44              | <p>Profit left after paying dividend to the shareholders or drawings by the capital owners</p> <p>a) Subsidy<br/>b) Venture capital<br/>c) Private equity<br/>d) Retained earnings</p>  |
|                 | <b>Ans: Retained earnings</b>   |
| 45              | <p>Investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate.</p> <p>a) Equity shares<br/>b) Preference shares<br/>c) Venture capital<br/>d) Bond</p>               |
|                 | <b>Ans: Bond</b>  |
| 46              | <p>Leverage results from the presence of fixed costs that help in magnifying net operating income (EBIT) fluctuations flowing from small variations in revenue</p> <p>a) Operating leverage<br/>b) Financial leverage<br/>c) Combined leverage<br/>d) Capital structure</p> |
|                 | <b>Ans: Operating leverage</b>  |

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| 47 | Retained earnings are called the _____ source of finance<br>a) External<br>b) Internal<br>c) Own<br>d) Borrowed   |
|    | <b>Ans: Internal</b>  |
| 48 | An uncertain event or condition that, if it occurs, has a positive or negative effect on a project's objectives<br>a) Project risk<br>b) Project scheduling<br>c) Project return<br>d) Project duration |
|    | <b>Ans: Project risk</b>  |
| 49 | Risk includes delays arising out of software and hardware defects or the failure of underlying service or a platform<br>a) Technology risk<br>b) Scope risk<br>c) Resource risk<br>d) Schedule risk     |
|    | <b>Ans: Technology risk</b>   |
| 50 | Risk mainly arises from outsourcing and personnel related issues<br>a) Technology risk<br>b) Scope risk<br>c) Resource risk<br>d) Schedule risk   |
|    | <b>Ans: Resource risk</b>   |
| 51 | Following is long term source of finance<br>a) Bill Discounting<br>b) Working Capital Loan<br>c) Overdraft<br>d) Equity Shares  |
|    | <b>Ans: Equity Shares</b>   |
| 52 | These are types of Bonds which are linked to independent reference rates.<br>a) Deep Discount Bonds<br>b) Fixed Rate Bonds<br>c) Floating Rate Bonds<br>d) Zero Coupon Bonds                            |
|    | <b>Ans: Floating Rate Bonds</b>   |
| 53 | -----is a form of financial or in-kind support extended to economic sector with aim of promoting economic & social policy.<br>a) Tax benefit<br>b) Profit<br>c) Fringe Benefits<br>d) Subsidy           |
|    | <b>Ans: Subsidy</b>   |



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| 54 | -----is detailed estimate of all costs required to complete project task.<br>a) Project Planning<br>b) Project Execution<br>c)Project Budget<br>d)Project Control                               |
|    | <b>Ans: Project Budget</b>  |
| 55 | Operating Leverage=-----/EBIT<br>a) Overhead Cost<br>b) Direct Cost<br>c)Indirect Cost<br>d)Contribution  |
|    | <b>Ans:Contribution</b>   |
| 56 | Financial Leverage=-----/EBT<br>a) Interest<br>b) Direct Cost<br>c)Indirect Cost<br>d) EBIT   |
|    | <b>Ans: EBIT</b>  |
| 57 | -----=Operating Leverage*Financial Leverage<br>a) Operating Leverage<br>b) Financial Leverage<br>c)Combined Leverage<br>d)Leverage  |
|    | <b>Ans: Combined Leverage</b>   |
| 58 | Delay arising out of hardware & software defects or failure of underlying service or platform is called as -----<br>a) Technology Risk<br>b) Scheduling Risk<br>c)Resource Risk<br>d)Scope Risk |
|    | <b>Ans: Technology Risk</b>   |
| 59 | Dividing complex projects into simpler & manageable task is called as -----<br>a) MPS<br>b) Method Study<br>c)Work Breakdown Structure<br>d)Gantt Chart   |
|    | <b>Ans: Work Breakdown Structure</b>  |
| 60 | Two factors which affect business which are money the business can earn & second is-----<br>a) Asset<br>b) Cash Inflow<br>c)Risk Handling<br>d)Capital  |
|    | <b>Ans: Asset</b>   |

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| 61 | Following are the methods of project evaluation using Discounted Cash Flow method<br>a) Payback Period<br>b) ARR<br>c) Profitability Index<br>d) Standard Deviation                                  |
|    | <b>Ans: Profitability Index</b>  |
| 62 | From the Following which are not Risk mitigation measures:<br>a) Risk Avoidance<br>b) Risk controlling<br>c) Risk Transfer<br>d) Risk Analysis   |
|    | <b>Ans: Risk Analysis</b>  |
| 63 | -----is a tool to manage organization's Project Management maturity.<br>a) Continuous Improvement<br>b) PMMM<br>c) Capacity Planning<br>d) Strategic Resource Planning                               |
|    | <b>Ans: PMMM</b>   |
| 64 | -----is a method of identifying opportunities for streamlining work & reduce waste.<br>a) Continuous Improvement<br>b) PMMM<br>c) Capacity Planning<br>d) Strategic Resource Planning                |
|    | <b>Ans: Continuous Improvement</b>   |
| 65 | A technique used to identify & measure overall capacity of production is called as -----<br>a) Continuous Improvement<br>b) PMMM<br>c) strategic Capacity Planning<br>d) Strategic Resource Planning |
|    | <b>Ans strategic Capacity Planning</b>   |
| 66 | -----are system tools & techniques used in project Management to deliver information.<br>a) PMIS<br>b) PMMM<br>c) Capacity Planning<br>d) Gantt Chart  |
|    | <b>Ans: PMIS</b>   |
| 67 | -----is used to conduct an evaluation at number of stages during Life Cycle of project.<br>a) Project Auditing<br>b) Project Controlling<br>c) Project Managing<br>d) Project Planning               |
|    | <b>Ans: Project Auditing</b>   |

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| 68 | From the following which are the not reasons of project closure prematurely?<br>a) Technical reasons<br>b) Lack of Project Planning<br>c) Adequate resources are not available<br>d) Project has good Management Support                        |
|    | <b>Ans: Project has good Management support</b>   |
| 69 | Which are strategies to solve project management Problems?<br>a) Brainstorming<br>b) Risk Avoidance<br>c) Risk facing<br>d) PMIS  |
|    | <b>Ans Brainstorming</b>  |
| 70 | -----is a techniques of project closure.<br>a) Project Inclusion<br>b) Project Rejection<br>c) Process Evaluation<br>d) Pareto Analysis   |
|    | <b>Ans: Project Inclusion</b>   |
| 71 | -----is a method of solving project management problems:<br>a) PMMM<br>b) Fishbone diagram<br>c) Project Extinction<br>d) Project Inclusion   |
|    | <b>Ans: Fishbone diagram</b>  |
| 72 | -----is a project closeout approach.<br>a) Project Integration<br>b) Brainstorming<br>c) Fishbone Diagram<br>d) Project Planning  |
|    | <b>Ans: Project Integration</b>   |
| 73 | Advantages of continuous improvement is-----.<br>a) Streamline workflows<br>b) Streamlining Cash flows<br>c) Project Monitoring & Control<br>d) Project Planning  |
|    | <b>Ans: Streamline Workflows</b>  |
| 74 | -----is a situation when given project is supposed to be closed or finalized because there is no more need or sense of further continuation.<br>a) Project Termination<br>b) Project Analyzing<br>c) Controlling Project<br>d) Project Auditing |
|    | <b>Ans: Project Termination</b>   |

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| 75 | <p>-----is the last stage of managing the project &amp; occurs after implementation phase has been ended.</p> <p>a) Project Termination<br/>b) Project analyzing<br/>c) Monitoring &amp; Controlling Project<br/>d) Project Auditing</p>   |
|    | <b>Ans: Project Termination</b>  |
| 76 | <p>During-----phase the people involved are acknowledged for their achieved goals &amp; the work is considered complete.</p> <p>a) Project Termination<br/>b) Project Analyzing<br/>c) Controlling Project<br/>d) Project Auditing</p>   |
|    | <b>Ans: Project Termination</b>  |
| 77 | <p>_____ is the process of tracking, reviewing and reporting the progress to meet the performance objective defined in the project Management plan</p> <p>a) Project management maturity model<br/>b) Monitoring and controlling the project work<br/>c) Project management information system<br/>d) Project auditing</p> |
|    | <b>Ans: monitoring and controlling the project</b>   |
| 78 | <p>_____ includes determining corrective or preventive action or replanning and following up action plan to determine whether the action taken resolved the performance issue</p> <p>a) Planning<br/>b) Monitoring<br/>c) Controlling<br/>d) Organizing</p>  |
|    | <b>Ans: Controlling</b>  |
| 79 | <p>_____ is typically a computer driven system (though it can be paper based) to aid a project manager in the development of project</p> <p>a) Project management maturity model<br/>b) Monitoring and controlling the project work<br/>c) Project management information system<br/>d) Project auditing</p>               |
|    | <b>Ans: Project management information system</b>  |
| 80 | <p>The _____ is a tool to help the project team to plan, schedule, monitor and report on a project</p> <p>a) Project management maturity model<br/>b) Monitoring and controlling the project work<br/>c) Project management information system<br/>d) Project auditing</p>   |
|    | <b>Ans: Project management information system</b>  |

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| 81 | <p>_____ is a long term strategic decision which determines the company's capability to supply products or services</p> <ul style="list-style-type: none"><li>a) Project management maturity model</li><li>b) Continuous improvement</li><li>c) Capacity planning</li><li>d) Procedure</li></ul>  |
|    | <b>Ans: Capacity planning</b>   |
| 82 | <p>A _____ can calculate schedules, costs, expectations &amp; likely results</p> <ul style="list-style-type: none"><li>a) Project management Maturity Model</li><li>b) Controlling Project</li><li>c) Project Management Information System</li><li>d) Project Auditing</li></ul>   |
|    | <b>Ans: Project management Information System</b>   |
| 83 | <p>A _____ refers the basic steps that an organization can take to achieve excellence in project management</p> <ul style="list-style-type: none"><li>a) Continuous improvement</li><li>b) Capacity planning</li><li>c) Procedure</li><li>d) Project management maturity model</li></ul>  |
|    | <b>Ans: Project management maturity model</b>   |
| 84 | <p>In _____ the organization recognizes the common processes needed to be defined and developed such that the project can be repeated on the other project</p> <ul style="list-style-type: none"><li>a) Level 1 – common language</li><li>b) Level 2 – common process</li><li>c) Level 3 – singular methodology</li><li>d) Level 4 – benchmarking</li></ul> |
|    | <b>Ans: Level 2 – common process</b>  |
| 85 | <p>A _____ is a document written to support a “policy directive”</p> <ul style="list-style-type: none"><li>a) Project management maturity model</li><li>b) Continuous improvement</li><li>c) Capacity planning</li><li>d) Procedure</li></ul>   |
|    | <b>Ans: Procedure</b>   |