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**Vendor:**PMI

**Exam Code:**PFMP

**Exam Name:**Portfolio Management Professional

**Version:**Demo

### QUESTION 1

Assume you are working in a division in your country's Department of Interior. The Department is set up in Bureaus, and your work falls within Natural Resources. Your division is the Water Resource Division. You are responsible as the portfolio manager for the work in this Division. As you work on the portfolio for the upcoming year, you point out to the members of the Portfolio Review Committee that:

- A. The projects in the portfolio have interdependencies between them
- B. Your portfolio reflects your Division's objectives
- C. Each program and project in the portfolio have related objectives
- D. Your portfolio addresses different strategies than those in other parts of the Department

Correct Answer: D

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### QUESTION 2

As part of developing the Communication Management Plan, a portfolio manager executes the Communication Requirements Analysis, in addition to Stakeholders Analysis. Which of the following options in your opinion is a result of the Stakeholders Analysis?

- A. All of the options
- B. Communication Matrix
- C. Communication Strategy matrix
- D. Elicitation technique

Correct Answer: D

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### QUESTION 3

You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you continuously report risks and issues to stakeholders. One of the key stakeholders is furious as he cannot find an issue that has occurred a week ago in the risk register. What should you do in this case?

- A. Inform the stakeholder that risk that have occurred are removed from the risk register and not used anywhere else
- B. Inform the stakeholder that issues are risks that have occurred and are tracked as part of the issue register
- C. Inform the stakeholder that you will directly fix this and include it in the risk register
- D. Inform the stakeholder that when positive risks occur they become realized opportunities and when negative risks occur they become realized threats

Correct Answer: B

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#### QUESTION 4

One of your team members who is particularly interested in becoming a portfolio manager has asked you what is the relation between the Portfolio roadmap and the Programs/Projects roadmaps? What should be your answer to him?

- A. Program and Project roadmaps may be included in the portfolio roadmap
- B. There is no relation whatsoever
- C. Program and Project roadmaps are more detailed and less strategically aligned
- D. Portfolio roadmaps are high level approaches for program and project roadmaps

Correct Answer: A

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#### QUESTION 5

Efficiency is highly regarded when managing a portfolio and spans all activities i.e. risk management, communication management, etc. A portfolio is considered efficient if it

- A. lies above the curve
- B. Minimizes risks to the maximum
- C. lies below the curve
- D. Has the best possible expected level of return for its level of risk

Correct Answer: D

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#### QUESTION 6

You are managing a complex portfolio with high risk levels due to emerging technological breakthroughs and a short benefit window to market your product. You know that managing risk is key to success and you are coaching your team on the same. When it comes to Managing portfolio risks, a risk owner, along with the portfolio manager, should select the strategy or mix of strategies most likely to be effective. Which of the following is not a risk strategy?

- A. Scenario Analysis
- B. Fallback Plan
- C. Strategies for both threats and opportunities
- D. Response Strategy Selection

Correct Answer: B

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#### QUESTION 7

You have been assigned as the manager for a major transformation portfolio in your company. You have a new direction in sight and you need to work with the team to attain the end goal and achieve the expected strategy. You have just finalized managing the strategic change and you are expected to present the following documents:

- A. Portfolio Strategic Plan update, Portfolio Roadmap update, Portfolio Charter update, Portfolio Process Assets update, Portfolio update
- B. Portfolio Strategic Plan update, Portfolio Management Plan update, Portfolio Roadmap update, Portfolio Charter update, Portfolio Process Assets update, Portfolio update
- C. Portfolio Strategic Plan update, Portfolio Roadmap update, Portfolio Charter update, Portfolio Process Assets update, Organizational Process Assets update
- D. Portfolio Strategic Plan update, Portfolio Roadmap update, Portfolio Charter update, Organizational Process Assets update, Portfolio Management Plan update

Correct Answer: B

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### QUESTION 8

As part of the strategic alignment, you Rank strategic priorities working with key stakeholders and using qualitative and quantitative analyses in order to

- A. Understand the strategic priorities
- B. Create a basis for decision making
- C. Create portfolio scenarios
- D. Provide a guiding framework to operationalize the organizational strategic goals and objectives

Correct Answer: D

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### QUESTION 9

While your organization maintains a decision register after each meeting of the Portfolio Review Board, this register only notes decisions that are made when a component is added to the portfolio or if the Board terminates a component. If the component is terminated, the reason for the termination is not listed. Also if a proposed component is not approved, the reason is not listed. It is evident this register is lacking in its usefulness, which means it requires updating as it is:

- A. In the portfolio management plan
- B. A portfolio process asset
- C. An organizational process asset
- D. Part of the governance model

Correct Answer: B

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### QUESTION 10

You are managing a portfolio for a major car dealer in the region and due to diversity of locations, funding terms and your client's corporate structure, you have a big number of components to be included in the portfolio. With such a huge number, you need to prioritize the components in order to prepare the mix of components to execute. Where can you find the prioritization model?

- A. Portfolio Strategic Plan
- B. Portfolio Charter
- C. Portfolio Roadmap
- D. Portfolio Risk Management Plan

Correct Answer: A

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#### QUESTION 11

Many people in your country are no longer eating food from cans because of the risk of botulism and eColi O1H747. Your low acid canned foods company is seeing its revenues decrease as a result, and it is updating its overall strategy for the company to diversify into other markets as well as to add an aggressive marketing campaign to ensure the public that its low acid canned foods are generally recognized as safe by the Food and Drug Administration. This means in terms of portfolio management:

- A. Each proposed component must demonstrate business value before it is undertaken
- B. The ROI for existing components should be reviewed to determine if they should continue
- C. The existing inventory of work should be validated against the updated strategy
- D. The benefits to be realized by existing components require standard KPIs tied to critical success factors

Correct Answer: C

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#### QUESTION 12

You are managing a portfolio for your company and are trying to balance the tasks that will be done internally based on the availability and the ones that will be outsourced. Managing supply and demand is a recurring activity in the portfolio life cycle and results in changes in resource utilization and resource efficiency. What is the expected outcome from managing supply and demand?

- A. Portfolio updates, Portfolio Management Plan updates, Portfolio Reports updates, Portfolio Components Reports updates
- B. Portfolio updates, Portfolio Management Plan updates, Portfolio Reports
- C. Portfolio updates, Portfolio Management Plan updates, Portfolio Reports, Portfolio Process Assets updates
- D. Portfolio updates, Portfolio Management Plan updates, Portfolio Process Assets updates

Correct Answer: B