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Portfolio Management Professional

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**QUESTION 1**

In a portfolio you have a continuous interaction between the portfolio and its components. The approach is top down when it comes to offering guidelines and approaches and becomes bottom up when the components report status and progress to the portfolio. What is the relation between the portfolio and portfolio components when it comes to defining the performance measures and targets (metrics)?

- A. Portfolio metrics are not related to component metrics, each is used at its own level
- B. Metrics are defined at portfolio level and given as guidelines to components in order to define their own metrics
- C. Portfolio metrics used at the portfolio level are the same used at components level
- D. Metrics are defined at components level and rolled up to the portfolio level

Correct Answer: D

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**QUESTION 2**

Resources allocation and optimization for use is key to a successful portfolio. You have assigned human resources, funds and other required assets to a component that you have initiated recently. What should have been done prior to being able to do that?

- A. Managed Portfolio Value
- B. Communicated the decision to all stakeholders
- C. Prioritized the component
- D. Authorized the component

Correct Answer: D

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**QUESTION 3**

Organizations pass by a strategic planning cycle on regular basis in order to align existing strategies, remove strategies and add new ones. When it comes to the implementation, which of the following options represents the activities through which the organizational strategies are implemented?

- A. Portfolio Components
- B. Portfolio Strategic Management
- C. Portfolio Components and Ongoing Operations
- D. Ongoing Operations

Correct Answer: C

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#### QUESTION 4

Working to monitor the portfolio especially in terms of its value to the organization, you had each component manager prepare monthly variance reports. Of the components ranked in the top 10, six of them realized they would not require some of their initial funding and still would be completed as planned. This means:

- A. Three-point estimating should be used as funds are allocated
- B. Next year's budget can be adjusted
- C. Historical data would be useful on estimates versus actual costs
- D. The amount of contingency and management reserves can be decreased

Correct Answer: B

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#### QUESTION 5

As a portfolio manager, you map the business value areas to each component in your portfolio in order to maintain alignment with the organizational strategy. What is the mechanism that will be used for tracking areas of measurement for assessing how the mix of portfolio components is performing?

- A. Benefits Realization
- B. Performance Metrics
- C. Manage Portfolio Value
- D. Portfolio Roadmap

Correct Answer: B

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#### QUESTION 6

Stakeholders are an integral part of the portfolio. The portfolio manager will work with the stakeholders to plan, execute and eventually deliver and close the portfolio. While developing the performance management plan, the portfolio manager plans a series of sessions with key stakeholders to define Key Performance Indicators (KPIs). What are these sessions collectively referred to in a portfolio?

- A. Capability and Capacity Analysis
- B. Communication Methods
- C. Elicitation Techniques
- D. Communication Requirements Analysis

Correct Answer: C

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#### QUESTION 7

Following a major organizational restructuring, new portfolios are currently being initiated. You have been assigned the position of portfolio manager on one of the major portfolios and are currently in strategic management. You are currently performing cost-benefit analysis. What is part of this analysis?

- A. Qualifies estimated costs and benefits and lists quantitative considerations of alternative portfolio components
- B. Quantifies estimated costs and benefits and lists qualitative considerations of alternative portfolio components
- C. Quantitative considerations of alternative portfolio components
- D. Qualifying estimated costs and benefits

Correct Answer: B

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### QUESTION 8

You are the manager for a governmental portfolio aiming to restructure the roads in your country. Having a tight schedule, a large number of stakeholders including the public, in addition to a strict budgeting framework, you know that you will be managing the performance closely and that the governance board and the stakeholders would want to check on the progress and performance frequently. For this you have developed a robust performance management plan. What is the expected result from developing this plan?

- A. Portfolio Management Plan updates, Portfolio updates, Portfolio Reports, Enterprise Environmental Factors updates
- B. Portfolio Management Plan updates, Portfolio Process Assets updates
- C. Portfolio Management Plan updates, Organizational Process Assets updates, Portfolio Process Assets updates, Portfolio updates
- D. Portfolio Management Plan updates, Organizational Process Assets updates, Portfolio Reports, Enterprise Environmental Factors updates

Correct Answer: B

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### QUESTION 9

You have been asked to manage a major portfolio in order to salvage the company and re-align it with the strategic objectives and goals. You decided to develop the strategic documents and are currently developing the charter. As a portfolio manager, which of the following would be your answer when asked of the purpose for the development of portfolio charter?

- A. Execute portfolio management processes
- B. Authorize portfolio components
- C. Start the development of Portfolio Management plan and all of its subsidiary plan
- D. Develop portfolio structure

Correct Answer: A

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**QUESTION 10**

As you prepare a list of possible components for your railroad to consider since most of its programs and projects are large and complex, your management team has suggested in your analysis of which components to pursue that you conduct statistical simulations of budgets, schedules, and resource allocations. You therefore decide to use:

- A. Net present value
- B. Decision trees
- C. Monte Carlo analysis
- D. An interrelationship diagram

Correct Answer: C

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**QUESTION 11**

You are the portfolio manager in a large organization including a diversity of stakeholders. From the start, you knew the importance of correctly managing the stakeholders requirements and concerns and you grouped them in order to

- A. Group stakeholders as internal and external
- B. Facilitate stakeholders identification
- C. Group stakeholders from the same functional area
- D. Group stakeholders having same concerns and interests

Correct Answer: B

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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. Which of the below helps in optimizing the supply and demand?

- A. Minimize both the unused capacity and the unmet demands
- B. Maximize both the unused capacity and the unmet demands
- C. Maximize the unused capacity and minimize the unmet demands
- D. Minimize the unused capacity and maximize the unmet demands

Correct Answer: B

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**QUESTION 13**

One of the ten underlying principles of portfolio management involves a strategic focus. Assume you are going to have a

short meeting with your CEO tomorrow, and you want to succinctly describe it. You will tell the CEO it is important since it:

- A. Emphasizes the need for portfolio management to attain strategic objectives
- B. Provides a clear basis for decision making
- C. Includes processes and change initiatives to accomplish organizational strategies
- D. Balances conflicting demands

Correct Answer: C

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#### QUESTION 14

During the portfolio lifecycle, you will be using the roadmap a lot and you be using it to report progress to different stakeholders. When it comes to portfolio roadmap, which of the following options is true?

- A. Roadmap are rarely updated, in contrast to the portfolio charter which gets frequently updated
- B. Roadmap includes internal and external dependencies to other organizational areas
- C. Roadmap is defined after the planning of all components is finished
- D. Roadmaps incorporate all components and shows a graphical representation of the portfolio progress over time

Correct Answer: B

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#### QUESTION 15

A new portfolio manager in your organization is currently preparing his portfolio charter and has come to you asking advice about what should be present in charter

- A. Justification, Scenario Analysis, Capability and Capacity Analysis
- B. Key dependencies, critical success criteria, high-level timelines
- C. All internal and external dependencies, components fixed timelines
- D. Justification, Scenario Analysis

Correct Answer: B

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