

MMS 18-20 Sample Question Bank Project Management

1. An advertising project has an actual cost in month eleven of Rs.22 million, a scheduled cost of Rs.17 million, and value completed of Rs.20 million. Cost Performance index is:
 - A. Rs 3.68 million
 - B. Rs 3.78 million
 - C. Rs 3.88 million
 - D. Rs 3.98 million
2. Project managers use project software for
 - A. Communicating with the customer
 - B. Risk management
 - C. Project scheduling
 - D. Project initiation
3. A project manager can also be called as
 - A. Project expeditor or project co-coordinator
 - B. Finance head
 - C. Marketing head
 - D. Production head
4. A stakeholder in renovating living room in your house can be
 - A. Person or person positively or negatively impacted by it
 - B. Not positively or negatively impacted by it
 - C. Not actively involved in this project
 - D. Bank branch clerk not involved in this project
5. CPM Stands for?
 - A. Critical Parity Mode
 - B. Critical Path Method
 - C. Critical Progress Method
 - D. Critical Purpose Method
6. Which of the following cannot be considered as a project
 - A. Constructing a shopping complex
 - B. Company audits
 - C. Arranging wedding reception
 - D. Performance reviews of employees
7. A firm chooses to crash a project. What factor/s must be considered in making this decision?
 - A. Taking the project team for a party
 - B. Negotiate with the customer.
 - C. Change the specifications of the contract without consultation with the customer
 - D. Arrange raw material and labour on priority basis.
8. PERT Technique initially developed by _____?
 - A. US Army
 - B. US Navy
 - C. NASA
 - D. US Police

9. In project Management discounting rate is also known as,
- A. Interest Rate
 - B. Yield Rate
 - C. Dividend Rate
 - D. WACC
10. If IRR is = 18 % and NPV for 14% is Rs.350 million.
NPV for 16% is:
- A. Rs 150 million
 - B. Rs 160 million
 - C. Rs 175 million
 - D. Rs 165 million
11. What is the main purpose of projects?
- A. To increase funding sources
 - B. To drive change in an organization
 - C. To increase efficiency
 - D. To spark creativity
12. Which of the following is not a project?
- A. Running an election campaign for a political candidate
 - B. Building a bridge over a river
 - C. Pilot aircraft for a United flight
 - D. Writing a book on Project Management
13. By definition, projects are
- A. unique and haven't been done before
 - B. challenging and large
 - C. complex and guarantee business growth
 - D. made up of several services
14. Following is the cost involved in Project Cost ,
- A. Direct Cost
 - B. Logistics Cost
 - C. Travel Cost
 - D. Transit Cost
15. The budgeted cost for all the activities in a project with the help of earned value method is defined by?
- A. Actual cost
 - B. Budget at completion
 - C. Budget for completion
 - D. Estimate at completion
16. Which of the following statement is NOT true about a project?
- A. It is temporary
 - B. It has an end date
 - C. It contains no risk

- D. It is unique and brings change
17. Which of the following elements is not normally common in projects?
- A. An objective
 - B. Uniqueness
 - C. Uncertainty
 - D. No defined end point
18. What should be the function of organization?
- A. Co-ordination of various department
 - B. To prepare structure of organization
 - C. To monitor various activities and progress
 - D. All of the above
19. Which of the following is/are *not* a type of organizational structure?
- A. Infrastructure
 - B. Techno structure
 - C. Answers A and B
 - D. Matrix structure
20. A ____ is a set of activities which are networked in an order and aimed towards achieving the goals of a project.
- A. Project
 - B. Process
 - C. Project management
 - D. Project cycle
21. Which of the following statement is not correct
- A. An activity of a project is denoted by an arrow on the net work
 - B. The tail of the arrow indicates the start of the activity
 - C. The head of the arrow indicates the end of the activity
 - D. The arrows are drawn to scale from left to right
22. What is fundamental difference between CPM and PERT
- A. PERT uses AON diagram whereas CPM uses AOA diagram
 - B. PERT is event-oriented whereas CPM is activity oriented
 - C. PERT lays emphasis on cost whereas CPM lays emphasis on time
 - D. PERT is probabilistic whereas CPM is deterministic
23. For a particular Activity in PERT Network the data (time estimates) are: $T_o = 6$, $T_m = 12$, $T_p = 24$. What is the weighted average (T_e) of these times to be taken while estimating the duration of the project?
- A. 13

- B. 10
- C. 14
- D. 15

24. All of the following are kinds of resource constraints except

- A. Materials
- B. People
- C. Equipment
- D. Information

25. In A-O-N convention, the activity is represented by

- A. Arc
- B. Arrow
- C. Node
- D. Dash

26. Given an actual demand of 60 units for a period when forecast of 70 units was anticipated, and an alpha of 0.3, what would the forecast for the next period be using simple exponential smoothing?

- A. 78
- B. 63
- C. 52
- D. 67

27. If BCWP is Rs. 170 crores, ACWP is Rs. 180 crores, BCWS is Rs. 187 crores, calculate cost variance

- A. Rs. -17 crores
- B. Rs. 10 crores
- C. Rs. - 10 crores
- D. Rs. 17 crores

28. In a project logic, four activities A, B, C and D are to be completed before starting activity E. If the finish times of A, B, C and D are 0600 hrs, 0700 hrs, 0800 hrs. and 0900 hrs. respectively, the earliest event occurrence time for the activity E will be:

- A. 0600 hours
- B. 0700 hours
- C. 0800 hours
- D. 0900 hours

29. A good example of a Process Breakdown Structure is a new

- A. Car prototype
- B. Software program
- C. Computer hardware
- D. Sports stadium

30. A project with Earned Value (EV) = Rs 2.5 crores, Actual Cost (AC) = Rs 2 crores and Planned Value (PV) = Rs 3.5 crores. What is the Schedule Performance Index (SPI)?
- A. 1.25
 - B. 0.80
 - C. 0.71
 - D. 1.40
31. Capital Budgeting deals with:
- A. Long-term Decisions,
 - B. Short-term Decisions,
 - C. Investment Decisions
 - D. Medium term Decisions
32. Savings in respect of a cost is treated in capital budgeting as:
- A. An Inflow
 - B. An Outflow
 - C. Inflow-outflow
 - D. outflow-inflow
33. If there is no inflation during a period, then the Money Cashflow would be equal to:
- A. Present Value
 - B. Real Cashflow
 - C. Real Cashflow + Present Value
 - D. Real Cashflow - Present Value
34. Real rate of return is equal to:
- A. Nominal Rate \times Inflation Rate
 - B. Nominal Rate \div Inflation Rate
 - C. Nominal Rate - Inflation Rate
 - D. Nominal Rate + Inflation Rate
35. Which of the following is not true for capital budgeting?
- A. Sunk costs are ignored
 - B. Opportunity costs are excluded
 - C. Incremental cash flows are considered
 - D. Relevant cash flows are considered
36. Which of the following is not included in incremental A flows?

- A. Opportunity Costs
- B. Sunk Costs
- C. Change in Working Capital
- D. Inflation effect

37. Which of the following is not followed in capital budgeting?

- A. Cash flows Principle
- B. Interest Exclusion Principle
- C. Accrual Principle
- D. Post-tax Principle

38. Tracking signals can

- A. Measure forecast quality
- B. Track the demand
- C. be useful when only when demand fluctuations are large
- D. be useful when only when demand fluctuations are small

39. Various activities of a project, are shown on Gantt charts by

- A. Vertical lines
- B. Horizontal Lines
- C. Dots
- D. Crosses

40. The critical activity has

- A. maximum float
- B. minimum float
- C. zero float
- D. Only independent float

41. Resources in project management refers to

- A. Materials
- B. Manpower
- C. Machinery
- D. All of the given options

42. Dimensions of project includes

- A. Risk
- B. Cost
- C. Quality
- D. All of the given options

43. Which of the following is not true?

- A. Projects are relatively complex
- B. Project give some output
- C. Car manufacturing is an example of project
- D. Project is a part of interlinked process

44. Money spent during a particular time period is known as

- A. Planned Value
- B. Actual Cost
- C. Earned Value
- D. Budgeted Cost

45. The most common sources of conflict in project management is:

- A. Project manager management style
- B. Different stakeholder interest
- C. Schedule changes
- D. Disagreement with vendors

46. A project charter

- A. Is a contract between vendor and project company
- B. Contains statement of risks
- C. Contains cost estimates
- D. Authorizes the existence of project

47. In project management, the term quality is best defined as:

- A. inspection, testing and measurement.
- B. reviews and audits.
- C. fitness for purpose of deliverables.
- D. professionally-bound project reports.

48. In shortening a project duration, managers should first look to activities that

- A. Take the most time
- B. Are on the critical path
- C. Provide the smallest increase in cost per unit of time
- D. Both A and C are correct

49. ARR is :

- A. Accounting Rate Ratio
- B. Accounting Related Return
- C. Accounting Rate of Return
- D. None of the given option

50. Which of the following is a typical project management organization structure :

- A. Matrix
- B. Functional
- C. Projectized
- D. All of the given options