

# PFMP<sup>Q&As</sup>

Portfolio Management Professional

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### QUESTION 1

Assume you are the portfolio manager for a legacy software company. For many years, your company was one of the top five leaders in software development, but as newer and more efficient software was invented, it began to lose market share. Your company then found its services were needed as legacy systems were converted, especially since Cloud computing now is so popular. But it has lost revenues increasingly over the years. To gain market share and provide greater portfolio value, the executive team decided it should:

- A. Focus on channel partnerships
- B. Hire people with competencies in Cloud computing and enter this market
- C. Recognize change takes time but retrain employees to enhance customer satisfaction
- D. Focus on supplier value by partnering agreements

Correct Answer: A

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### QUESTION 2

Your sponsor has urged you to analyze Portfolio Risk before the end-of-week governance board meeting as the CEO will be present and is interested in Portfolio risk data in particular. Currently, you do not have adequate risk information in order to analyze data and give recommendations. Which tool is the most suitable for you to use in this case?

- A. Cumulative distribution
- B. Weighted Ranking and Scoring Techniques
- C. Delphi
- D. Graphical Analytical methods

Correct Answer: C

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### QUESTION 3

You are managing a large portfolio and know that you will need to constantly show the progress and status of the portfolio in meeting. For this you have developed a robust roadmap using BI tools. The portfolio roadmap is an important document used throughout the portfolio life cycle; when it comes to developing the portfolio communication management plan, which of the following options is correct

- A. The portfolio roadmap helps with the understanding of the structure of the portfolio and interdependencies among the portfolio components
- B. The portfolio roadmap is necessary for this process because it summarizes strategic objectives, evolving aspects of the strategy by organizational areas, portfolio milestones, dependencies, challenges, and risks
- C. The portfolio roadmap provides a high-level timeline for expected portfolio component delivery
- D. The portfolio roadmap provides the high-level strategic approach in a chronological fashion for portfolio management execution

Correct Answer: A

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#### QUESTION 4

Moving from project management to program management and now being appointed as the first portfolio manager in your cyber warfare company, you know you always wondered what happened to the various reports you had to prepare, and the metrics you had to collect. You are working now to determine critical metrics for portfolio management and decided to involve as many people as possible through questionnaires and surveys. You also held some focus groups. The purpose is to:

- A. Ensure the metrics that are collected support the SMART principle
- B. Maximize portfolio value
- C. Represent the vital few rather than the trivial many
- D. Can be gathered with minimal disruption

Correct Answer: B

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#### QUESTION 5

One of your portfolio team members is confused on the reason behind using the three processes: Define Portfolio, Optimize Portfolio, Authorize Portfolio and Manage Portfolio value. For him, we can skip a couple of processes. He came to you for advice. What should be your response to him?

- A. He is right, processes can be skipped if you want to do the other ones
- B. The processes are similar and can be skipped. The reason they exist in the standard is to cover the define, align, and monitor and control process groups
- C. The processes are not similar and they are interrelated, they are continuously executed throughout the portfolio life cycle
- D. The processes are part of the standard for portfolio management and should not be skipped

Correct Answer: C

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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. The Portfolio Process Assets are important and referenced throughout the portfolio life cycle. Which of the following is correct regarding the Portfolio Process Assets purpose and focus?

- A. Forecasts how and when the portfolio will deliver value to the organization
- B. High-level prioritization mapping of the portfolio
- C. Can be used to influence the portfolio's success
- D. Corresponds to the means to the "to-be" vision

Correct Answer: C

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#### QUESTION 7

Assume you completed your portfolio performance management plan, and it was approved by the Oversight Committee. This plan, with an overall purpose to maximize portfolio performance, describes resource allocation and resource-related issues among other items. In it a key component is benefits realization. This emphasis on benefits planning provides:

- A. Examples for templates for benefits realization planning
- B. Methods to evaluate the expected net benefits
- C. An approach focusing on continuous improvement in overall performance
- D. Methods to assist in benefit identification

Correct Answer: B

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#### QUESTION 8

A major strategic change has occurred and you are managing the change at portfolio level. You are currently performing gap analysis and you receive information on a stakeholder that is extremely unhappy with how the change will be handled in your portfolio. What should be your best course of action?

- A. Perform prioritization analysis in order to position the change with relations to other changes
- B. Check the Communication Strategy matrix and ignore the stakeholder if he lies in the lower quadrants
- C. Escalate the issue to steering committee before any further damage happens
- D. Perform Stakeholder Analysis

Correct Answer: D

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#### QUESTION 9

As the Director of the Portfolio Management Office at your worldwide furniture store, you prepare a series of reports on the status of the portfolio. One report that you use is a bubble diagram. In using it in terms of resource supply and demand, you should structure it to show:

- A. Required resources and available resources
- B. Resource availability and life cycle phase
- C. Resource competency and component probability of success
- D. Resource importance and probability of success

Correct Answer: A

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#### QUESTION 10

An urgent review meeting was set due to the discovery of multiple risks which can have drastic effects on the portfolio. As a result of the meeting, it was agreed to increase the portfolio budget and add more resources in order to manage the new risks. Which of the following documents needs to be updated as a result of this decision?

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

Correct Answer: A

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#### QUESTION 11

As a portfolio manager you need to continuously balance the need and requirements with the available resources to maintain a balanced portfolio and portfolio resources in order to optimize delivery. One of your key stakeholders came to you asking to skip the manage supply and demand process as you have already prioritized and allocated resources through the strategic management and the governance processes. As a portfolio manager you should

- A. Raise this to the steering committee for approval
- B. Skip the step as the stakeholder is correct and you can always re-do the process as part of managing a strategic change
- C. Continue work and ignore the stakeholder's request as this stakeholder is known to resist change and hates collaboration
- D. Continue your work and perform the manage supply and demand process

Correct Answer: D

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#### QUESTION 12

As part of the strategic alignment, you Evaluate organizational strategic goals and objectives using document reviews, interviewing, and other information gathering techniques in order to

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

Correct Answer: A

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### QUESTION 13

While defining the portfolio, a portfolio manager does a preliminary comparison of all inventoried portfolio components against the portfolio component definition. For this, the descriptors of each portfolio component are used in order to compare it to other components. Which of the following is not a component key descriptors?

- A. Component Customer
- B. Urgency
- C. Resources Required
- D. Component Number

Correct Answer: B

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### QUESTION 14

Multiple communication methods are used by the portfolio manager in order to proactively convey messages and engage the stakeholders at the right time and in the right manner. Which tool is used to visually convey multiple messages at the same time?

- A. Efficient Frontiers
- B. Dashboards
- C. Communication Calendar
- D. Resource sheets

Correct Answer: B

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### QUESTION 15

As a portfolio manager you try to use all the information available to you in order to get the best out of the existing information and to better plan and manage the portfolio. The Enterprise Environmental Factors are important and referenced throughout the portfolio life cycle. Which of the following is correct regarding their purpose and focus?

- A. Forecasts how and when the portfolio will deliver value to the organization
- B. High-level prioritization mapping of the portfolio
- C. Organization's overall governance processes
- D. Establish communication requirements

Correct Answer: C