1. All of the following are characteristics of a project EXCEPT:
   a) Temporary
   b) Definite beginning and end
   c) Interrelated activities
   d) Repeats itself every month

2. A temporary endeavor undertaken to create a new product or service is called a:
   a) New product development.
   b) Project
   c) Program
   d) Enterprise

3. A manager that manages a group of related projects is called a:
   a) Project manager
   b) Project expediter
   c) Program coordinator
   d) Program manager

4. A project is:
   a) An activity with a fixed start date, but no end date
   b) A number of ongoing tasks an organisation undertakes
   c) A set of activities with fixed start and end dates
   d) A task without a budget

5. Project management is:
   a) Just like any other kind of management
   b) Done differently in the United States and Europe
   c) A job that should only be undertaken by technical staff
   d) The planning and controlling of resources for a specific time to achieve a predetermined goal

6. According to authors, the prime objectives of project management are cost, time and _____________.
   a) Schedule
   b) Quality
   c) Customer Satisfaction
   d) Performance
7. The Project Planning Process starts with the:
   a) Development of supportive plans
   b) Development of project schedule
   c) Identification of project deliverables
   d) Setting up of project goals and objectives

8. What is cost/benefit analysis in Project Planning?
   a) Estimated cash inflows compare with estimated cash outflows
   b) Analysis of project capacity
   c) Comparison of project cost with other alternatives
   d) Evaluating the payback period of the project

9. What is the major drawback of using the bottom up estimated method?
   a) Inaccuracy
   b) Expensive
   c) Bias
   d) Time consuming

10. Which method is used to assess the various perspectives of assigning resources on project activities?
    a) Bottom up estimating
    b) Top down estimating
    c) Alternative analysis
    d) Published estimated data

11. The longest time an activity may take to complete is called:
    a) Float time
    b) Optimistic time
    c) Pessimistic time
    d) Most likely time

12. Which of the following is not a part of resource scheduling?
    a) Resource Identification
    b) Resource aggregation
    c) Resource quantification
    d) Resource allocation

13. What do horizontal bars in Gantt Chart represent?
    a) Time scale
    b) Start and end of activities
    c) Start time of activities
    d) Slack in project time

14. What is 20/80 rule?
    a) Few are vital and many are trivial
    b) The manager must concentrate on majority of the tasks
    c) Only 20% activities should be undertaken
    d) Only 80% activities should be undertaken
15. What is normal cost?
   a) The variable cost to complete an activity
   b) The absolute minimum direct cost required to complete an activity
   c) The cost of the activity at the crash time
   d) Both direct and indirect cost required to complete an activity

16. The project schedule:
   a) Is used to calculate how long the project will take
   b) Can only be done using a software program
   c) Contains the lists of tasks, their duration and resources allocated
   d) Is the same as the Gantt chart

17. A project cost estimation is done on the basis of the following document:
   a) Project plan
   b) Project scope
   c) Project schedule
   d) Business plan

18. What is the %age of contingency reserve taken in case of risky projects:
   a) 10%
   b) 20%
   c) 25%
   d) 30%

19. The project budget is prepared by:
   a) Cost Accountant
   b) Financial Head
   c) Top Level Management
   d) Project Manager

20. Which type of budget is continually updated to add a revise budget for the next accounting period as soon as the current budget period is over?
   a) Flexible budget
   b) Rolling budget
   c) Functional budget
   d) Current budget

21. Which one of the following statements is not true?
   a) The functional organisation is ideally suited to run projects
   b) In the functional organisation, the entire organisation is structured around logically coherent units
   c) Functional organisations give people the opportunity to specialise
   d) Project organisations can result in a duplication of work effort

22. Which is not the duty of the Functional Manager in a Matrix Organisation?
   a) The ongoing management of the function in the organisation
   b) To manage the project in a day-to-day sense
   c) To take accountability for the overall success of the project
   d) To make sure that the necessary skills are provided by the organisation
23. What does the project organisation describe about a project?
   a) Project scope  
   b) Project team’s roles and responsibilities  
   c) Project schedule  
   d) Project risk

24. The most common factors, which contribute to the risk of a project, are:
   a) Cost, schedule and scope  
   b) Resources and liability  
   c) A and B  
   d) Ownership and contractors

25. The risk assessment process involves:
   a) Examining cost, schedule and resourcing criteria  
   b) Reviewing project objectives and quality measures  
   c) Building a project baseline  
   d) Calculating the ETC (estimated time to completion)

26. Risk Management will only be successful in a project if:
   a) A thorough scope of work document has been prepared  
   b) The project success criteria are incorporated into specific phases  
   c) A risk management plan is created and monitored  
   d) Risks identified have been quantified

27. Which project is considered as unit price contract?
   a) Time and material contract  
   b) Cost plus award fee contract  
   c) Fixed price award fee contract  
   d) Fixed price incentive fee contract

28. EPC contracts are used for which type of contracts?
   a) IT projects  
   b) Construction projects  
   c) Manufacturing projects  
   d) Sales projects

29. The level of involvement between contractual parties must be:
   a) Low  
   b) Conditional  
   c) Micro-managerial  
   d) Balanced

30. Project controls are used to assess:
   a) Schedule  
   b) Budget  
   c) Quality  
   d) All of the above
31. Quality control is
   a) Ensured by use of standards like ISO
   b) The responsibility of every team member
   c) Can be added at the end of the project
   d) Not important in small projects

32. Which of the following is not a function of project controlling?
   a) Verify whether the real performance matches the planned performance
   b) Allocate and schedule project resources
   c) Increase deviations in the project performance
   d) Monitor the team performance

33. Control is performed on the ongoing project activities.
   a) Concurrent
   b) Feed forward
   c) Feedback
   d) Consecutive

34. In budgetary control ____________________________.
   a) the budget of the previous year is used as a base for removing the excess cost.
   b) only cash budget is used to control cost.
   c) actual cost is compared with standard cost.
   d) real capital and expenditure is monitored.

35. The following are the tools of financial control:
   a) Financial Statements
   b) Financial Audits
   c) Ratio Analysis
   d) All of the above

36. Who does not typically conduct the project audit?
   a) PMO
   b) Project manager
   c) Steering committee
   d) External auditor

37. How frequently can a project audit be prepared?
   a) Once a month
   b) Once every three months
   c) Once a year
   d) After 3 years

38. What is a first step in terminating a project?
   a) Gain formal acceptance
   b) Confirm achievement of deliverables
   c) Complete final performance report
   d) Release resources
39. Which activity will boost the confidence of the team members of a terminated project?
   a) Reassignment to a new project  
   b) Celebrating success  
   c) Settlement of pending dues  
   d) Transferring to other departments

40. After the closing of the project, remaining stock needs to be:
   a) Restocked  
   b) Resold  
   c) Scrapped  
   d) Reshaped

41. The process of selecting from alternative long-term investment projects is called:
   a) Net cash inflow maximization.  
   b) Capital budgeting.  
   c) Discounting cash inflows.  
   d) Cash flow management.

42. Which of the following capital expenditure may not appear in capital budget?
   a) Investment in a new plant  
   b) Investment in a new machinery  
   c) Investment in IT  
   d) All of the above are included in capital budget

43. A capital investment is one that
   a) has the prospect of long-term benefits.  
   b) has the prospect of short-term benefits.  
   c) is only undertaken by large corporations.  
   d) applies only to investment in fixed assets.

44. Which type of financing will be used to lease a production plant?
   a) Long term financing  
   b) Short term financing  
   c) Medium term financing  
   d) A mix of medium term and short term financing

45. If the project is financed through the combination of debt and equity, it is called as:
   a) Cost of capital  
   b) Cost of equity  
   c) Cost of debt  
   d) Weighted average cost of capital

46. Pay-back period is the period when:
   a) original cost of the project is recovered  
   b) the project is completed  
   c) the project becomes obsolete  
   d) the project becomes risky
47. Which of the following is true about Internal Rate of Return (IRR)?
   a) IRR is the rate of discount at which NPV becomes Zero
   b) IRR is the rate of interest at which NPV is negative
   c) IRR is the value at which cash inflows are greater than cash outflows
   d) IRR is not a discounting cash flow technique

48. Which of the following is not used in Capital Budgeting?
   a) Time Value of Money
   b) Sensitivity Analysis
   c) Net Assets Method
   d) Cash Flows

49. Capital Budgeting Decisions are:
   a) Reversible
   b) Irreversible
   c) Unimportant
   d) All of the above

50. _______________ refers to the length of time allowed by a firm for its customers to make payment for their purchases.
   a) Holding period
   b) Pay-back period
   c) Average collection period
   d) Credit period

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