

Student name: _____

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

1) Project management historically has been preoccupied solely with the planning and execution of projects while strategy was under the purview of senior management.

- ☐ true
- ☐ false

2) Intermittent and infrequent scanning of the external environment is required when managing organization strategy.

- ☐ true
- ☐ false

3) A written mission statement provides focus for decision making when shared by organizational managers and employees.

- ☐ true
- ☐ false

4) Project managers should not engage in organizational politics.

- ☐ true
- ☐ false

5) Organizational objectives set targets for all levels of the organization not just for top management.

- ☐ true
- ☐ false

6) Mission statements typically change frequently, responding to changes in the external environment.

- ☐ true
- ☐ false

7) Strategy formulation ends with cascading objectives or projects assigned to lower divisions, departments, or individuals.

- ☐ true
- ☐ false

8) If a proposed project does not meet one of the designated "must" objectives it should be immediately removed from consideration.

- ☐ true
- ☐ false

9) The assessment of the external and internal environments is called the SWOT analysis.

- ☐ true
- ☐ false

10) Objectives should be specific, marketable, assignable, realistic, and time related.

- ☐ true
- ☐ false

11) Strategy is implemented through projects.

- ☐ true
- ☐ false

12) Many organizations have three different kinds of projects in their portfolio: compliance, operational, and sacred cows.

- ☐ true
- ☐ false

13) The first step in the Strategic Management Process is to set long-range goals and objectives.

- ☐ true
- ☐ false

14) One benefit of project portfolio management is that it can justify killing a project that doesn't support organization strategy.

- ☐ true
- ☐ false

15) Opportunities and threats can be viewed as flip sides of each other; that is, a threat can be viewed as an

opportunity, and vice versa.

- ☐ true
- ☐ false

16) The information gap refers to the lack of understanding and consensus of organization strategy among

top and middle-level managers.

- ☐ true
- ☐ false

17) One way to offset the influence of politics on project management within an organization is to have a well-defined project selection model.

☐ true

☐ false

18) Studies have shown that companies using predominantly financial criteria to prioritize projects yield unbalanced portfolios and projects that aren't strategically aligned.

☐ true

☐ false

19) Generally, people working on several projects at the same time are more efficient than people working full-time on one project.

☐ true

☐ false

20) The NPV financial model measures the time it will take to recover the project investment.

☐ true

☐ false

21) A proposed project that ranks high on most criteria may not be selected because the organization's portfolio already includes too many projects with the same characteristics.

☐ true

☐ false

22) Multi-weighted scoring models include only quantitative criteria, not qualitative.

☐ true

☐ false

23) Restricting project proposals within an organization may lead to missed opportunities.

- ☐ true
- ☐ false

24) In the phase gate model, a 'gate' is a point in time at which a decision about whether to cancel or continue with the project is made.

- ☐ true
- ☐ false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

25) Which of the following is NOT true about an organization's strategy?

- A) Strategy determines how an organization will compete.
- B) Strategy is implemented through projects.
- C) Only top management must understand strategy.
- D) Project selection should be clearly aligned with

strategy.

E) Project management plays a key role in supporting strategy.

26) A project selection process that is strongly linked to strategy results in

- A) the most profit.
- B) better utilization of the organization's resources.
- C) more projects.

D) a larger and more diverse organization.

E) stronger core competencies.

27) Which of the following is NOT true about organizational politics?

A) Project managers should not engage in organizational politics.

B) Politics can have a significant influence on which projects receive funding.

C) Politics exist in every organization.

D) Politics can influence project selection.

E) Politics can play a role in the aspirations behind projects.

28) Which of the following terms is often used to denote a project that a powerful, high-ranking official is advocating?

A) Sacred cow

B) Pet project

C) Political necessity

D) Special undertaking

E) Strategic ploy

29) Why do project managers need to understand their organization's mission and strategy?

A) To reduce project duration and increase the number of projects implemented

B) So they can make appropriate decisions and adjustments and be effective project advocates

C) It is only important for senior management to understand the organization's mission and strategy

D) To get their job done and increase opportunities for promotion

E) So that they can make sure the customer is satisfied

30) Project managers who understand the role that their project plays in accomplishing the organization's strategy will

A) demonstrate to senior management how their project contributes to the firm's mission.

B) explain to team members why certain project objectives and priorities are critical.

C) explain to stakeholders why certain project objectives and priorities are critical.

D) be able to respond appropriately to delays and/or

be inclined to do all of the following EXCEPT

questions about product design.

E) be able to focus on problems or solutions if the project is a low priority strategically.

31) All of the following are symptoms of organizations struggling with strategy disconnect and unclear priorities EXCEPT

- A) frequent conflicts between managers.
- B) inadequate resources.
- C) confused employees regarding which projects are more important.
- D) not enough projects within the portfolio to make

a profit.

E) people are working on multiple projects and feel inefficient.

32) Which of the following problems refers to lack of understanding and consensus of organization strategy among top and middle-level managers? This also can result when top management formulates strategy and leaves implementation to functional managers.

- A) Multitasking
- B) Organization politics
- C) Implementation gap

D) Resource conflicts

E) Employee turnover

33) Which of the following is NOT true for strategic management?

- A) It should be done once every few years just before developing the operating plan.
- B) It supports consistency of action at every level of the organization.
- C) It develops an integrated and coordinated long-term plan of action.
- D) It positions the firm to meet the needs of its

customers.

E) It involves responding to changes in the external market and allocating scarce resources to improve a competitive position.

- A) Strategies, mission, objectives, projects
- B) Objectives, projects, mission, strategies
- C) Mission, strategies, objectives, projects
- D) Objectives, mission, strategies, projects

E) Projects, mission, strategies, objectives

35) Which of the following questions does the organization's mission statement answer?

- A) What are our long-term strategies?
- B) What are our long-term goals and objectives?
- C) How do we operate in the existing environment?
- D) What do we want to become?

E) All of these are answered by the mission statement.

36) Which of the following is NOT one of the traditional components found in mission statements?

- A) Major products and services
- B) Profitability
- C) Target customers and markets

D) Geographic domain
E) Contribution to society

37) Which of the following is NOT one of the characteristics of effective objectives?

- A) Realistic
- B) Assignable

C) Flexible
D) Specific
E) Measurable

38) In order to formulate strategies that align with the mission, some of the activities the organization will need to perform are

A) assess internal

strengths and weaknesses.

- B) analyze competitors.
- C) examine the external environment.
- D) know their core competencies.

E) All of these should be considered when formulating strategies.

39) The assessment of the external and internal environments is called _____ analysis.

- A) SWOT
- B) Competitive

- C) Industry
- D) Market
- E) Strategic

40) Which of the following would be classified as an organizational external threat?

- A) Slowing of the economy
- B) Excellent employees
- C) Poor product quality

- D) Declining facilities
- E) High labor costs

41) Which of the following would be classified as an organizational opportunity?

- A) Low debt
- B) Excellent employees
- C) Increasing product demand

- D) Talented management
- E) Government regulation

42) Which of the following is NOT one of the requirements for successful implementation of strategies through projects?

- A) Allocation of resources
- B) Prioritizing of projects

- C) Motivation of project contributors
- D) Adequate

planning and control systems

E) Quality management

43) Which of the following is NOT a problem associated with the absence of a project portfolio system?

A) Organizational politics

B) Lack of funding

C) Resource conflicts

D) Multitasking

E)

Implementation gap

44) Jack's organization has many projects ongoing concurrently. He finds himself starting and stopping work on one task to go and work on another task, and then return to the

work on the original task.

Jack is experiencing

A) poor scheduling.

B) excess work burden.

C) flexible tasking.

D) multitasking.

E) burnout.

45) Project selection criteria are typically classified as

A) financial and nonfinancial.

B) short-term and long-term.

C) strategic and tactical.

D) required and

optional.

E) cost and

schedule.

46) The _____ financial model measures the current value of all cash inflows using management's minimum desired rate of return.

A) CABB

B) ARR

C) IRS

D) IRB

E) None of these alternatives are correct

47) Projects are usually classified into all but one of the following categories. Which one is NOT one of the typical classifications?

- A) Compliance and emergency
- B) Operational
- C) Strategic

- D) Political necessity
- E) All of these are typical classifications.

48) One who endorses and lends political support for the completion of a specific project is known as the

- A) Project manager.
- B) CEO.
- C) Project sponsor.

- D) Project lead.
- E) Sacred cow.

49) A project screening matrix typically contains all of the following EXCEPT

- A) the list of available projects.
- B) specific criteria.
- C) weights assigned to specific criteria.

- D) costs to complete each project.
- E) All of these are typically contained.

50) Regardless of the criteria differences among different types of projects, typically the most important criterion for project selection is

- A) how the project will balance risk within the project portfolio.
- B) the project's fit to the organization strategy.

- C) compliance.
- D) nonfinancial.
- E) profit.

51) Examples of nonfinancial criteria include all of the

- A) capturing a larger market share.
- B) reducing dependency on unreliable suppliers.
- C) preventing government intervention and regulation.
- D) making it difficult for competitors to enter the

following EXCEPT

market.

- E) calculating the time it will take to recover the project investment.

52) Which of the following is true of multi-weighted scoring models?

- A) Will include quantitative criteria.
- B) Will include qualitative criteria.
- C) Each criterion is assigned a weight.
- D) Projects with higher scores are considered more

desirable.

- E) All of these are true.

53) Which of the following is NOT true when managing a portfolio system?

- A) The qualities of a particular project are assessed within the context of existing projects.
- B) It does not require a constant effort.
- C) Within a small organization it can be managed by a small group of key employees.
- D) It requires input from senior management.

- E) It involves monitoring and adjusting criteria to reflect the strategic focus of the organization.

54) The following are responsibilities of the governance team when managing a portfolio system EXCEPT

- A) deciding how organizational resources are allocated among the different types of projects.
- B) publishing the priority of every project and ensuring the process is open and free of power politics.
- C) evaluating the progress of the projects in the

portfolio.

- D) constant scanning of the external environment to determine if organizational selection criteria need to be

changed.

- E) communicating which projects are approved.

55) When a prioritization team is balancing projects, they consider all factors except for

- A) Risk.
- B) Resource demand.
- C) Leadership style.

D) Type of project.

E) All of these alternatives are correct.

56) When it comes to project prioritization, senior management is responsible for

- A) setting the course for the organization.
- B) directing the organization to a strong future position.
- C) determining the priority of each project.
- D) developing a culture where everyone contributes

to the goals of the organization.

E) All of these choices are correct.

57) When creating a selection model, it is important to

- A) make it mathematically complex so it cannot be "gamed".
- B) not use it as the final determination for project selection.
- C) assure the objectivity of the model.

D) make certain the units used in the model are not inconsistent.

E) keep it secret from those submitting project proposals.

58) People within an organization working on multiple efforts concurrently is an indicator of

- A) completely allocated staff.

B) shrewd scheduling.

- C) optimized processes.
- D) project prioritization

E) too many projects taken on at once.

59) Typically, a project sponsor is

- A) instrumental in approving a project.
- B) key to support a project to its' completion.
- C) a lower-level staff member.
- D) key to support a project to its' completion and a

lower-level staff member.

E) instrumental in approving a project and key to support a project to its' completion.

60) Project Priority Systems can resolve

- A) lack of consensus and understanding among top and middle managers.
- B) internal political issues.
- C) over-sharing of resources.

D) what to do next.

E) All of the these alternatives are correct.

61) An operational project is one that

- A) must be completed.
- B) supports an organizations' long-run mission.
- C) can improve organizational performance.
- D) is completed to meet regulatory compliance.

E) always is extremely relevant to the strategic vision of the organization.

62) A SWOT analysis provides the Project Manager with

- A) a direct linkage to goals.
- B) an identifiable strategic alternative.
- C) potential critical issues facing the organization.
- D) an identifiable strategic alternative and potential critical issues facing the organization.

E) a direct linkage to goals and an identifiable strategic alternative.

63) The strategic activity that focuses on what needs to be accomplished is

- A) review and define the organizational mission.
- B) reflection and inquiry into the organization's history of past projects.
- C) analyze and formulate strategies.

- D) set objectives to achieve strategy.
- E) implement strategies through projects.

64) The management system that spans the lifetime of the project is called the ____.

- A) lifetime cycle model
- B) project lifetime model
- C) phase gate model

- D) lifetime phase exit model
- E) lifetime model

65) The first part of the management system that spans the lifetime of the project is called the ____.

- A) project selection process
- B) project exit process
- C) project phase exit

- D) project kill process
- E) project gate process

66) The purpose of the management system that spans the lifetime of any project is ____.

- A) ensure the project stays within budget
- B) ensure the project remains on schedule
- C) ensure the project stays within both budget and schedule
- D) ensure the project is worthwhile and is

- contributing to the goals and strategy of the organization
- E) All of these alternatives are correct

67) At each gate a(n) _____ is made.

- A) assessment
- B) evaluation

- C) analysis
- D) decision
- E) judgement

68) Project proposals are employed when _____ and are used to make _____ decisions.

- A) a project idea is considered worthwhile, project selection
- B) a project concept fails to get acceptance, project cost estimation
- C) a high-level organization official wishes to submit a proposal, project scheduling
- D) a project concept fails to gain acceptance, project

cost and scheduling
E) a high-level organization official wishes to submit a proposal, project cost and scheduling

69) Three possible outcomes emanate from each gate. They are _____.

- A) continue, kill, enhance
- B) reduce scope, kill, increase scope
- C) proceed, cancel, or revise and submit
- D) encourage, discourage, pass

E) allocate resources, reduce resources, cancel

70) If a preliminary proposal is approved, then _____.

- A) the project is funded and execution begins
- B) a project manager and staff are assigned to develop a more comprehensive implementation plan
- C) the project is funded and formal detailed planning begins

D) the project is funded or shelved awaiting funding
E) the project is allocated limited resources

71) The process of assessing "what we are" and deciding and implementing "what we intend to be and how we are

going to get there" is _____.

- A) strategic management
- B) vision and mission setting
- C) reflection and inquiry

- D) goal and objective clarity
- E) mission assessment

72) _____ change infrequently and may require revision only when the nature of the business changes or shifts.

- A) Vision statements
- B) Mission statements
- C) Lessons learned

- D) Goals
- E) Objectives

73) _____ translate the organization's strategy into specific, concrete, and measurable terms.

- A) Vision statements
- B) Mission statements
- C) Lessons learned

- D) Goals
- E) Objectives

74) How strategies will be realized, given available resources, is answered through _____.

- A) projects
- B) resource allocation
- C) implementation

- D) frameworks
- E) strategy formulation

75) High-ranking managers who endorse and lend political support for the completion of a specific project are known as project _____.

- A) managers
- B) leaders

- C) politicians
- D) sponsors
- E) executives

76) A weighted scoring model typically uses several weighted selection criteria to evaluate project proposals. An

example of this would be a(n) _____.

- A) project screening matrix
- B) selection criterion
- C) weighted score

- D) score multiplication
- E) project proposal

77) What the organization wants to become and the scope of the firm in terms of its product or service would be identified in the organization's _____.

- A) values
- B) mission statement
- C) lessons learned

- D) goals
- E) objectives

78) In a SWOT analysis, good product quality, low debt, and an established supplier network are examples of internal _____.

- A) weaknesses
- B) opportunities

- C) threats
- D) targets
- E) strengths

79) In a SWOT analysis, strong competition, reduced product demand, and a maturing product life cycle are

examples of external _____.

- A) weaknesses
- B) opportunities

- C) threats
- D) targets

E) strengths

80) The assessment of the internal and external environments is known as a(n) _____.

- A) SWOT analysis
- B) PDSA wheel
- C) Constraint-based reasoning

- D) Internal/external assessment
- E) Forecasting

81) Strategy is implemented through _____.

- A) portfolios
- B) products

- C) projects
- D) policies
- E) people

82) A project that a powerful, high-ranking official is advocating is often termed a(n) _____.

- A) Bread-and-butter project
- B) Sacred cow
- C) Pearl

- D) Oyster
- E) White elephant

83) Starting and stopping work on one task to go and work on another project, and then returning to work on the original

task is known as _____.

- A) multitasking
- B) concurrency

- C) parallelism
- D) start-and-stop
- E) confusion

84) The lack of understanding and consensus of organization strategy among top and middle-level managers is known as the _____.

- A) priority confusion
- B) implementation gap
- C) lack of consensus
- D) lack of comprehension

E) lack of
comprehension and
consensus

85) The financial model that measures the time it will take to recover the project investment is the _____ model.

- A) break through
- B) recovery

- C) threshold
- D) investment
- E) payback

86) A financial model that measures the current value of all cash inflows and outflows using management's minimum desired rate of return is known as the _____ model.

- A) Internal rate of return (IRR)
- B) Net present value (NPV)
- C) Return on investment (ROI)

- D) Return on
assets (ROA)
- E) Inflow/outflow

87) In classifying the kinds of projects an organization has in its portfolio, projects that are typically those needed to meet regulatory conditions required to operate in a region are _____ projects.

- A) Strategic
- B) Conformance
- C) Compliance (must do)

- D) Operational
- E) Sacred cow

88) In classifying the kinds of projects an organization has in its portfolio, projects that are typically needed to support

current operations are
_____ projects.

- A) Strategic

- B) Conformance
- C) Compliance (must do)

- D) Operational
- E) Sacred cow

89) In classifying the kinds of projects an organization has in its portfolio, projects that directly support the organization's

long-term mission are _____ projects.

- A) Strategic
- B) Conformance
- C) Compliance (must do)

- D) Operational
- E) Sacred cow

90) When considering criteria used to select projects, capturing a larger market share or reducing the dependency on unreliable suppliers would both be examples of _____ criteria.

- A) Financial
- B) Nonfinancial

- C) Operational
- D) Supplier
- E) Multiple

91) In some cases, organizations will use a(n) _____ to solicit ideas for projects when the knowledge requirements for the project are not available in the organization.

- A) RFQ (Request for Quote)
- B) RFP (Request for Project)
- C) RFP (Request for People)

D) RFP (Request for Product)

92) A list of potential projects, several criteria, weights for those criteria, and criteria scores for those projects are all

typically included on a(n) _____ matrix.

- A) Multiple criteria
- B) Project screening

- C) Project selection
- D) Project

elimination

E) Project assessment

93) _____ the portfolio system involves monitoring and adjusting selection criteria to reflect the strategic focus of the organization.

A) Managing

B) Designing

C) Creating

D) Inventing

E) Devising

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

Agree or disagree and support your position.

94) "Politics and project management should not mix."

95) Why do project managers need to understand strategy?

96) Why is it important that organizations develop a process to align selected projects with strategic goals?

97) The typical Strategic Management

Process includes four activities. Identify and briefly describe each of those four activities.

98) The advantages of successful project portfolio management systems are becoming well recognized. Briefly describe three.

99) Identify and briefly describe the five characteristics of effective objectives.

100) What is a SWOT analysis and how does it relate to the Strategic Management Process?

101) What is the implementation gap and how does it impact project management? How can it be prevented?

102) Identify and briefly discuss the three classes of projects usually found in an organization's project portfolio.

103) Management of a portfolio system requires two major inputs from senior management. What are they?

104) Why is profitability alone not an adequate measure of a project's value to an organization?

105) What are the two major shortcomings of using the Checklist approach to select projects?

Answer Key

Test name: chapter 2

- 1) TRUE
- 2) FALSE
- 3) TRUE
- 4) FALSE
- 5) TRUE
- 6) FALSE
- 7) TRUE
- 8) TRUE
- 9) TRUE
- 10) FALSE
- 11) TRUE
- 12) FALSE
- 13) FALSE
- 14) TRUE
- 15) TRUE
- 16) FALSE
- 17) TRUE
- 18) TRUE
- 19) FALSE

20) FALSE

21) TRUE

22) FALSE

23) TRUE

24) TRUE

25) C

26) B

27) A

28) A

29) B

30) E

31) D

32) C

33) A

34) C

35) D

36) B

37) C

38) E

39) A

40) A

41) C

42) E

43) B

44) D

45) A

46) E

47) D

48) C

49) D

50) B

51) E

52) E

53) B

54) A

55) C

56) E

57) B

58) E

59) E

60) E

61) C

62) D

63) C

64) C

65) A

66) D

67) D

68) A

69) C

70) B

71) A

72) B

73) E

74) C

75) D

76) A

77) B

78) E

79) C

80) A

81) C

82) B

83) A

84) B

85) E

86) B

87) C

88) D

89) A

90) B

91) D

92) B

93) A

94) Projects and politics invariably mix and effective project managers recognize that any significant project has political ramifications. A good project selection process will

minimize the impact of internal politics.

95) Project managers need to understand strategy so they can make appropriate decisions and adjustments and so they can be

effective project advocates.

96) A result of not having a process that aligns selected projects with strategic goals is poor utilization of resources. Companies that have developed this process have more cooperation across the organization, perform better on

projects and have fewer projects.

97) (1) Review and define the organizational

mission; (2)

Analyze and formulate strategies that align with mission; (3) Set objectives to achieve the strategy; (4) Implement strategies through projects.

98) The following are all examples of acceptable answers: (1) Builds discipline into project selection process; (2) Links project selection to strategic metrics; (3) Prioritizes project proposals across a common set of criteria, rather than politics or emotion; (4) Allocates resources to projects that align with strategic direction; (5) Balances risk across all projects; (5) Justifies killing projects that do

99) (1) Specific; (2) Measurable; (3) Assignable; (4) Realistic; (5) Time related

100) It is an assessment of the internal and external environments and is the link between reviewing the current mission statement and the development of goals and objectives that

101) The implementation gap refers to the lack of understanding and consensus of organization strategy among top and middle-level managers. If managers lack a common understanding of the priority for a given set of projects, then the achievement of long-range goals will be impossible. A project portfolio

102) (1) Compliance (must do); (2) Operational; (3) Strategic

not support organization strategy; (6) Improves communication and supports agreement on project goals.

support organization strategy.

system can go a long way to reduce or even eliminate this problem.

103) Senior management must provide guidance in establishing selection criteria that strongly align with the current organization strategies and they must decide how they wish to balance the available organizational

resources among different types of projects.

104) Today management is interested in identifying the potential mix of projects that will yield the best use of human and capital resources to maximize return on investment in the long run. Factors such as researching new technology, public image, ethical position, protection of the environment, core

competencies, and strategic fit might be important criteria for selecting projects.

105) The Checklist approach fails to determine the relative importance of the project to the firm and fails to compare

projects to other potential projects.