

SAMPLE MCQ's for Project Management

Course MMS

Semester IV

Subject-Project Management

50 MCQs for Sample

1. Which one of the following is captured in the Work Breakdown Structure (WBS)?
 - A.The life cycle phases
 - B.The logical order of tasks
 - C.The scope of the project
 - D. Project costs

2. Which stage of project management life cycle requires the maximum time of completion
 - A.Conceptualization
 - B. Planning
 - C. Execution
 - D. Estimation

3. .In Project management when does planning take place?
 - A.Before the project
 - B.During the project execution
 - C.At the start of the project
 - D.After the project

- 4 .In the initial stage of the project the probability of completing the project is ____ .
 - A.Zero
 - B.High
 - C.Low

D.Medium

5. Which one is a true statement relating to project communications?

- A. A project sponsor is responsible for all communication methods and media.
- B. Different stakeholders typically have different communication needs.
- C. It is best to have a standard set of project reports used for every project.
- D. Email is the only way to communicate with large numbers of people.

6. The particular task performance in CPM is known

- A.Dummy
- B.Event
- C. Activity
- D.Contract.

7. The critical path

- A. Is a path that operates from the starting node to the end node
- B.Is a mixture of all paths.
- C.Is the longest path
- D.Is the shortest path

8.Free float for any activity is defined as the difference between

- A. its earliest finish time and earliest start time for its successor activity
- B. its latest start time and earliest start time
- C.its latest finish time and earliest start time for its successor activity
- D. its earliest finish time and latest start time for its successor activity

9. The time with which direct cost does not reduce with the increase in time is known as

- A.crash time
- B.normal time
- C.optimistic time

D.standard time

10. The time corresponding to minimum total project cost is

A.crash time

B.normal time

C.optimistic time

D.between normal time and crash time

11. Project crashing is the method for -----

A.Shortening the project duration by reducing the time of one or more critical activities

B.Adding resources at critical points

C.Doing technical analysis of the finished work for review

D.Adding duration to each activity

12. Feasibility study determines -----

A.Whether the project is possible with resources

B.Comparing the project with world class manufacturing norms

C.Calculate the cost crashing each unit

D.Add duration to each unit

13. What is a cash flow table in project management?

A. A table portraying inflow of cash in a project

B. A table portraying outgoing expenses of a project

C.It is the tool that is used to study such cash flows by breaking inflows and outflows down, usually on a monthly basis

D. A table portraying debts taken for a project

14. A project has a Profitability Index of 1.30. What does it mean?

A.The NPV is less than zero

- B. The payback period is more than one year
- C. That the project returns Rs 1.30 for every Re 1 invested in the project
- D. That IRR is 1.30 times that of the Hurdle Rate

15. If there is no inflation during a period, then the Money Cash flow would be equal to

- A. Present Value,
- B. Real Cash flow,
- C. Real Cash flow + Present Value,
- D. Real Cash flow - Present Value

16. 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

17. The criteria for acceptance of a project on the basis of Profitability Index (PI) is

- A. $PI=0$
- B. $PI > 0$
- C. $PI < 0$
- D. $PI > 1$

18. In Project crashing, rent and overheads are treated as

- A. Significant Cost
- B. Insignificant costs
- C. Direct Costs
- D. Indirect Costs

19. For an activity in a CPM analysis, the early Finish time is 13 and the late Finish time is 13. Duration of activity is 6. Which of the following statements is true?

- A. The early start is 6

- B. The duration of the activity is 13
- C. The slack of this activity is 13
- D. The activity is on the critical path

20. Independent float is the amount of time by which:

- A. Start of the activity can be delayed without affecting the EST of subsequent activity
- B. reduces the float of subsequent activities
- C. completion of an activity can be delayed beyond EFT without affecting EST
- D. completion of an activity can be delayed beyond earliest possible finishing time

21. PERT (Project Evaluation and Review Technique) analysis is based on

- A. Optimistic time, Pessimistic time and Most likely time
- B. Pessimistic time, Optional time, Maximum time
- C. Optimistic time, Efficient time, Most likely time
- D. Minimax time, Optimistic time and harmonic time

22. Risk in project management is defined as

- A. An uncertain event that, if it occurs, has a positive effect on project objectives
- B. An uncertain event that, if it occurs, has a negative effect on project objectives
- C. An uncertain event that, if it occurs, has a positive or negative effect on project objectives
- D. An uncertain event that do not have any effect on project objectives

23. In PERT (Project Evaluation and Review Technique) method Expected time (T_e) is

- A. $(T_o + T_p + 4T_m)/6$
- B. $(T_o + T_p + 2T_m)/6$
- C. $(T_o + T_p + T_m)/6$
- D. $(T_m + T_p + 4T_o)/6$

24. Risk Event Graph is having following on X axis

- A. Gantt Chart

- B. Work Break Down Structure
- C. Project Life Cycle
- D. Splitting

25. Which risk is connected to the circumstance outside the project that may influence the scope of work and the performance of the organization?

- A. Operational Risk
- B. Financial Risk
- C. Strategic Risk
- D. Contextual Risk

26. The numbering of the nodes in A-O-A is done

- A. From left to right
- B. From Right to Left
- C. Randomly
- D. On the basis of the duration of the activity

27. Which of the following is not the part of Risk Control

- A. Execution of the risk response strategy
- B. Monitoring of triggering events
- C. Initiating contingency plans
- D. Not watching for new risks

28. Conflict occurrence in projects is

- A. Unavoidable
- B. Depend on type of project
- C. Avoidable
- D. Depends on culture

29. Outsourced projects are susceptible to conflicts as

- A. People get less pay in these projects and work is more
- B. More work pressure and less time horizon
- C. These projects are away from home location

D. People are unaccustomed to working together and have different values

30. Who creates the project team?

- A. Factory manager
- B. Operation manager
- C. Project manager
- D. Purchase Manager

31. Project Manager must ensure that it develops appropriate trade off/s as

- A. Time, cost and performance
- B. Time, value and performance
- C. Men, Materials and Machines
- D. Money, Cost and Return on Investment

32. Who orchestrate the completion of the project by inducting the right people at the right time to address the right issue and make the right decisions?

- A. Project Coordinator
- B. Project Manager
- C. Operations Manager
- D. Strategic Business Unit Head

33. In which stage of team development, team members are worried about how they fit in with the others and how their capabilities and skills compare.

- A. Norming
- B. Storming
- C. Forming
- D. Performing

34. Which of the following represents the estimated value of the work actually accomplished?

- A. Earned value (EV)
- B. Planned value (PV)
- C. Actual cost (AC)
- D. Cost variance (CV)

35. A schedule performance index (SPI) of 0.76 means:

- A. You are over budget
- B. You are ahead of schedule
- C. You are only progressing at 76 percent of the rate originally planned
- D. You are only progressing at 24 percent of the rate originally planned

36. A cost performance index (CPI) of 0.89 means:

- A. At this time, we expect the total project to cost 89 percent more than planned
- B. When the project is completed we will have spent 89 percent more than planned
- C. The project is only progressing at 89 percent of the rate planned
- D. The project is only getting 89 cents out of every dollar invested

37. The cash inflows and (outflows) associated with a project are as follows:

At start (120000) , Year1-40000, Year2-50000, Year3-60000, Residual Value(at the end of 3rd year)-20000. The payback period for this project would be:

- A 2 years and 3 months.
- B 2 years and 6 months.
- C 3 years.
- D 2 years.

38: A Firm is considering undertaking a project that would yield annual profits (after depreciation) of Rs 68,000 for 5 years. The initial outlay of the project would be Rs 800,000 and the project's assets would have a residual value of Rs 50,000 at the end of the project.

What would be the accounting rate of return for this project?

- A 16%
- B 8.5%
- C 8.0%
- D 9.1%

39. A firm is about to undertake a project and has computed the NPV of the project using a variety of discount rates:

Discount Rate used	NPV
10%	130
15%	50
20%	-50

What is the approximate IRR of this project?

- A 20%
- B 17.5%
- C 15%
- D 22.5%

40. A project has a 60% chance of a \$100,000 profit and a 40 per cent of a US \$100,000 loss. The Expected Monetary Value for the project is

- A. \$100,000 profit
- B. \$60,000 loss
- C. \$ 20,000 profit
- D. \$40,000 loss

41. In a payback period method of project evaluation and appraisal the project withor equal to cut off period will be accepted.

- A. More than
- B. Less than
- C. Positive
- D. Negative

42. A project with total budget cost of 30 crores is scheduled to be completed in 80 weeks. A periodic review was carried out at end of 60 weeks and results are as given:

Budgeted cost of work performed (EV) = 17 crores

Actual Cost of work performed (AC) = 19 crores

Budgeted cost of work scheduled (PV) = 21 crores

What is the cost performance index?

- A. 0.895
- B. 0.81
- C. 0.90
- D. 1.12

43. In which of the following cases project is in better shape?

- A. When both CPI and SPI are less than 1
- B. When CPI is more than 1 and SPI is less than one
- C. When CPI is less than one and SPI is more than one
- D. When both CPI and SPI are more than one

44. A company is considering investing surplus funds in a project. Calculate the NPV at 10 % discount rate for the following data

Project	Year 0	Year 1	Year 2
A	(100)	100	100

A. 73.5

B. 173.5

C. 273.5

D. 100

45. Amount of work completed to date compared with planned in the Earned Value Management method is

A. Schedule Performance Index

B. Cost Performance Index

C. Percentage Complete

D. Percentage Spent

46. The budgeted cost for all the activities in a project with the help of Earned Value Method is

A. Actual Cost

B. Budget at completion

C. Budget for completion

D. Estimate at completion

47. The payback period is the period

A. a project takes to pay back the loan taken to purchase the capital assets

B. equal to the useful life of the machines

C. a project takes to recover its initial cash outflow

D. over which the project will be getting operating cash inflows

48. Net Present Value of a machine is

A. PV of cash inflows less cost of investment

- B. PV of cash inflows ÷ cost of investment
- C. PV of net profit after tax less cost of investment
- D. PV of cash inflows less average cost of investment

49. If you would like to see a list of resources and the tasks that people are assigned to. What view best displays this information?

- A. Resource Sheet
- B. Task Usage
- C. Gantt Chart
- D.: Resource Usage

50. Q 25: What is the default view of a new project in MS project?

- A. Gantt View
- B. Resource Graph
- C. Network View
- D.: Workbook View

ANSWER KEY

Q1	C	Q2	C	Q3	C	Q4	C	Q5	B
Q6	C	Q7	C	Q8	A	Q9	B	Q10	D
Q11	A	Q12	A	Q13	C	Q14	C	Q15	B
Q16	B	Q17	D	Q18	D	Q19	D	Q20	A
Q21	A	Q22	C	Q23	A	Q24	C	Q25	D
Q26	A	Q27	D	Q28	A	Q29	D	Q30	C
Q.31	A	Q.32	B	Q.33	C	Q.34	A	Q.35	C
Q.36	D	Q.37	B	Q.38	A	Q.39	B	Q.40	C
Q.41	B	Q.42	A	Q.43	D	Q.44	A	Q.45	C

Q.46	D	Q.47	C	Q.48	A	Q.49	C	Q.50	A
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