



## PMP Exam Preparation

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### Points to Remember-1

- ✓ **A project** is a temporary endeavor to create a unique product or service. Operations are ongoing activities.
- ✓ **Progressive elaboration** is the process of taking a project concept through to the project plan. As the planning and research activities continue, the more detailed and focused the concept becomes. Progressive elaboration happens throughout the project. It is the process of elements within the project becoming more and more exact as additional information and details become available.
- ✓ **Milestones** are completed by the project team as the results of activities.
- ✓ **Project scope** defines the required work, and only the required work to complete the project.
- ✓ **Scope verification** is the proof that the project manager has completed the project.
- ✓ **Quality policy** is the organization-wide rules and requirements for quality.
- ✓ **Programs** are a collection of projects with a common cause.
- ✓ **Businesses** exist to make money.
- ✓ **Customers**, internal or external, are the most important stakeholders in a project.
- ✓ A difference in requirements resolved in favor of the customer. However, it is the project manager's responsibility to inform the customer of other options.
- ✓ The project management office can be established to offer services ranging from basic support to total management of all projects.
- ✓ **Maintenance** activities are not part of projects.
- ✓ **Management by objectives** tries to focus all activities on meeting the company's objectives. If the project's objectives are not in line with the company's objectives, the project may be impacted or cancelled.
- ✓ The **project coordinator** reports to a higher-level manager and has authority to make some decisions. The **project expeditor** has no authority to make decisions.
- ✓ **Cross-disciplinary** means that the project covers more than one department or technical area of expertise. In such a case, a matrix organization is needed with representatives from each department or discipline.



- ✓ Effective project management requires a life cycle approach to running the project.
- ✓ **The PMO** determines whether a project supports the organization's strategic plan and can authorize exceptions to projects not linked to the strategic plan.
- ✓ It is a responsibility of the project management office to prioritize the company's projects. When prioritization is clear, it is easier to allocate resources among projects.
- ✓ **Verify Scope** process occurs during project monitoring and controlling, but **product verification** is done during project closing.
- ✓ **Deliverables** are determined in part by the customer, but not the sponsor.
- ✓ The project manager or the project management team determines how best to accomplish the project.
- ✓ During the **monitoring and controlling process** group, project performance is measured, and needed changes are identified and approved.
- ✓ **The project charter** gives authorization to begin a project or project phase. The project charter is approved in the initiating process group.
- ✓ **Enterprise Environmental Factors Organizational Process Assets** must be taken into account for every process, even if they are not explicitly listed as inputs in the process specification.
- ✓ **Project Management Team Activities:**
  - ✓ Analyze and understand the scope. That includes the project and product requirements, criteria, assumptions, constraints, and other influences related to a project, and how each will be managed or addressed within the project.
  - ✓ Understand how to take the identified information and then transform it into a project management plan using a structured approach.
  - ✓ Perform activities to produce project deliverables.
  - ✓ Measure and monitor all aspects of the project's progress and take appropriate action to meet project objectives.
- ✓ **Scope, Schedule, and Cost Baselines** will be combined into a Performance Measurement Baseline that is used as an overall Project Baseline against which integrated performance can be measured.
- ✓ **The Performance Measurement Baseline** is used for Earned Value Measurements.
- ✓ **Configuration Management System (CMS):** Is a subsystem of the PMIS, which includes the processes that define how project deliverables and documents are controlled, changed, and approved. And it includes the **Change Control System** to provide a standardized, effective, and efficient way to centrally manage approved changes and baselines within a project.
- ✓ **Configuration Management Activities:** 1. Configuration Identification, 2. Configuration Status Accounting, and 3. Configuration Verification and Audit.



- ✓ **Fait accompli:** An accomplished fact; an action which is completed before those affected by it are in a position to query or reverse it.
- ✓ **WBS:** WBS a deliverable-oriented hierarchical decomposition of the work to be executed by the project team. The WBS is finalized by establishing Control Accounts for the **work packages** and a unique identifier from a **code of accounts**. The WBS represents all product and project work, including the project management work (This is sometimes called the 100% rule).
  - ✓ The WBS can be structured as an outline, an organizational chart, a fishbone diagram, or other method.
  - ✓ Different deliverables can have different levels of decomposition.
  - ✓ Excessive decomposition can lead to non-productive management effort, inefficient use of resources, and decreased efficiency in performing the work.
  - ✓ Decomposition may not be possible for a deliverable or subproject that will be accomplished far into the future.
- ✓ **Work Performance Information:** Focus on **WHAT** has been done (provides information on the Status of a Deliverable).
- ✓ **Performance Reports:** Focus on **HOW** it was done. (Focus on Cost, Time, and Quality performance). Actual Results are compared against the Baselines to show how the project is performing against the Plan.
- ✓ **Project Cost Baseline** = Project Estimates + (Cost) Contingency Reserves.
- ✓ **Project Cost Budget** = Project Cost Baseline + Management Reserves
- ✓ **Residual Risks comprise of:** 1. Risk that remain after applying risk response strategies, and 2. Risks that we simply ACCEPT - if it happens, it happens, we have a plan to deal with it.
- ✓ **Contingency Plans** deal with the outcome of Residual Risks on project.
- ✓ **Contingency Reserve** covers the outcome of Residual Risk, and account for the "Known Unknowns".
- ✓ **Fallback Plans** are employed for Residual Risks when the Contingency Plans fail.
- ✓ **Secondary Risks** are new risks that emerge as a result of Risk Response Plan.
- ✓ **Watch list:** All non-critical/non-top/low rating risks are put on the Watchlist and monitored (Watched) regularly. It is created at Perform Qualitative Risk Analysis Process.
- ✓ **Management Reserves** account for the "Unknown Unknowns".
- ✓ **Utility Theory:** An appropriate method for describing Risk Tolerance.



- ✓ **Risk Averse:** Where there is more money at stake, the Risk Averter's satisfaction diminishes; he or she prefers a more certain outcome and demands a premium to accept projects of high risk.
- ✓ **Risk Neutral:** Tolerance for risk remains the same as the money at stake increases.
- ✓ **Risk Seeker:** The higher the stakes, the better; as risk increases, the risk seeker's satisfaction increases; he or she is even willing to pay a penalty to take on projects of high risks.
- ✓ **Force Majeure Risks**, such as Earthquakes, Floods, Acts of Terrorism, Etc., should be covered under Disaster Recovery Procedures instead of Risk Management.
- ✓ **Monte Carlo Analysis** would show you WHERE SCHEDULE RISK EXISTS (Points of Schedule Risk). It is a Computer-based Analysis & useful for revealing Schedule Risks
- ✓ Committee decisions can have the **paradox** outcome, that a jointly made or approved decision is not desired by any individual group member.
- ✓ **What is a constructive change?** A direction by the buyer or an action taken by the seller that the other party considers an undocumented change to the contract."
- ✓ **Liquidated damages** (LDs) are contractually agreed payments in order to cover the customer's costs caused by late completion or failure to meet specifications by the contractor.

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*"Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them." Paul Hawken*

