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PRACTICE QUESTIONS

American Academy of Financial Management (AAFM)® India

MPM1

Master Project Manager® (MPM®)-Level 1

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

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Before you begin

What this is

9 practice questions for American Academy of Financial Management (AAFM)® India `MPM1`, each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

If something looks wrong

Send us three things and we will check it:

- the exam code, `MPM1`
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

QUESTION 1 SINGLE CHOICE

Which document is created as the primary output of the Collect Requirements process?

A Project Scope Statement

B Requirements Traceability Matrix

C Requirements Management Plan

D Work Breakdown Structure

ANSWER B

WHY The Collect Requirements process produces the Requirements Traceability Matrix (and requirements documentation) as its primary outputs. The Project Scope Statement and WBS are produced later in Define Scope and Create WBS, respectively. The Requirements Management Plan is part of the planning artifacts, not the direct output of Collect Requirements.

QUESTION 2 SINGLE CHOICE

Decomposition of work packages into smaller, more manageable components that can be estimated and monitored is called:

A Scope baseline creation

B Activity definition

C Project scheduling

D Work package authorization

ANSWER B

WHY Define Activities is the process of decomposing work packages into smaller, more manageable components called activities, which then provide a basis for estimating, scheduling, executing, and monitoring project work.

QUESTION 3 SINGLE CHOICE

Which estimation technique uses the weighted average of optimistic, most likely, and pessimistic estimates to calculate an expected cost?

A Parametric estimating

B Analogous estimating

C **PERT (three-point) estimating**

D Bottom-up estimating

ANSWER C

WHY Three-point or PERT estimating uses the formula (O + 4M + P) / 6, where O is optimistic, M is most likely, and P is pessimistic, making it a weighted average approach to capturing uncertainty in cost estimates.

QUESTION 4 SINGLE CHOICE

A fishbone diagram is most commonly used during quality planning to:

A Plot process performance over time

B **Identify potential causes of a problem or effect**

C Compare actual results against planned performance

D Prioritize issues based on frequency and impact

ANSWER B

WHY A fishbone (Ishikawa or cause-and-effect) diagram organizes potential causes of a problem into categories (people, process, equipment, etc.) to aid root cause analysis during quality planning and quality control.

QUESTION 5 SINGLE CHOICE

A stakeholder is classified using power/interest grid analysis as having high power but low interest. The most appropriate engagement strategy is generally to:

- A Monitor closely with minimal effort
- **B Keep satisfied**
- C Manage actively and engage frequently
- D Keep informed

ANSWER B

WHY In the standard power/interest grid, stakeholders with high power and low interest should be kept satisfied – provide enough information to keep them content without overloading them with detail. High-power, high-interest stakeholders are managed closely, while low-power, low-interest stakeholders are monitored with minimum effort.

QUESTION 6 SINGLE CHOICE

Which formula is used to determine the number of communication channels in a project?

- A $n \times (n - 1)$
- **B $n \times (n - 1) / 2$**
- C n^2
- D 2^n

ANSWER B

WHY The number of communication channels equals $n(n - 1) / 2$, where n is the number of stakeholders. This is why adding even a single new stakeholder can substantially increase communication complexity.

QUESTION 7 SINGLE CHOICE

A buyer issues a Request for Proposal (RFP) primarily to:

A. Solicit bids for a clearly defined product at the lowest price

B. Solicit proposals describing how vendors will meet a problem or requirement

C. Negotiate final terms with a selected seller

D. Issue a binding contract directly to a chosen supplier

ANSWER B

WHY An RFP is used when a buyer has a problem or need and wants potential sellers to propose solutions, approaches, and pricing. An RFQ (Request for Quotation) is used when requirements are clearly defined and the buyer is seeking price bids. A contract is the outcome of procurement, not the purpose of an RFP.

QUESTION 8 SINGLE CHOICE

During Direct and Manage Project Work, which of the following is produced as an output that records activities completed, resources used, and issues encountered?

A. Issue log

B. Work performance data

C. Change request

D. Project management plan updates

ANSWER B

WHY Work performance data is the raw observations and measurements produced during Direct and Manage Project Work, capturing what activities were completed, what resources were used, and what issues occurred. It is later analyzed and transformed into work performance information and reports in monitoring and controlling processes.

QUESTION 9 SINGLE CHOICE

Which document formally authorizes the existence of a project and gives the project manager authority to apply organizational resources to project activities?

A Project Management Plan

B Project Charter

C Statement of Work

D Business Case

ANSWER **B**

WHY The Project Charter is the document issued by the sponsor that formally authorizes a project's existence and grants the project manager the authority to apply organizational resources to project activities. The Business Case justifies the investment, the SOW describes the deliverables, and the Project Management Plan is the document that defines how the project will be executed.