Chapter 3 Exam – Governance: Foundations

Question 1 (Question ID: 109)

A project manager is evaluating a proposal that promises **$300,000 three years from now**, discounted for interest and inflation, to see what that money is worth today. A colleague argues the proposal is actually worth **$300,000 right now**. Is the colleague correct?

A. No, because the present value of that future amount, once discounted, is less than $300,000 today.

B. Yes, because net present value always equals the undiscounted future amount.

C. No, because the calculation actually measures earned value, not present value.

D. Yes, because money does not lose value over time once a project is selected.

Question 2 (Question ID: 218)

A statement about costs and benefits over time is shown in the image, but the text is too small in the document preview to read accurately.

Answer choices visible:

A. Regular project operations

B. Working capital allocation

C. Present value adjustment

D. Accelerated depreciation

Question 3 (Question ID: 138)

A project manager needs to negotiate with a difficult stakeholder while remaining aware of cultural differences on a global team. A colleague suggests this situation calls for a formal data analysis technique instead. How should the project manager respond?

A. Clarify that negotiation and cultural awareness are interpersonal and team skills, which are the more relevant tools for this relationship-focused situation.

B. Agree, since data analysis techniques are the best tool for managing stakeholder relationships.

C. Agree, since estimating methods are designed for exactly this kind of interpersonal challenge.

D. Clarify that a data representation chart would resolve the cultural difference automatically.

Question 4 (Question ID: 128)

A stakeholder says, “Of course the vendor will deliver the parts by the fifteenth,” without stating this expectation formally. The project manager worries this unstated expectation could introduce risk if incorrect. What should the project manager do?

A. Ignore it, since unstated expectations do not need to be tracked.

B. Escalate it immediately to the sponsor for a formal decision.

C. Record it directly as a project constraint.

D. Identify and manage it as an assumption, since incorrect assumptions introduce risk.

Question 5 (Question ID: 3159)

A project manager is tailoring project governance for a new initiative. Select the **two** factors that should genuinely influence how much formal governance structure is applied.

A. The development approach the project will use, whether predictive, adaptive, or hybrid.

B. The project manager’s personal comfort level with a given amount of oversight.

C. Whichever governance model was used on the project manager’s most recent past assignment.

D. The project’s size, complexity, risk level, and regulatory requirements.