

PMP® Exam Preparation Essentials

Objectives



This module entails one to understand few special considerations one has to follow to increase the chances of being successful to start thinking the PMI® way.

Also, a couple of tips, tricks and generic information which need to be kept in purview when participating in the exam itself.

Following the chapter will increase the likelihood of one being success at the PMP® exam.

- Learn few special considerations about how to participate in the exam
- Apply some of the tips, tricks and the way the questions need to be understood

Exam Preparation



- What does the exam test?
 - Your knowledge to apply the concepts
 - Your understanding & interpretability of the concepts
 - Your ability to judge professionally & ethically correct and act
 - Your conscience to think in the right manner & direction
- Is that it?
 - Guess not! Exam also tests your ability to take stress mentally, and your preparedness physically to sit long hours and complete the exam.

Exam Strategy (Have Strategy to Pass)

Just before the exam & on exam day!

- Ensure to relax yourself on the day before exam and not get your mind occupied with last minute knowledge hazards
- Have sufficient breakfast or meal so that you are not hungry during the exam. Reach venue at least 1 hour in advance to your exam schedule time and ensure your mind is relaxed to kick start on the minute of your exam
- Plan ahead & time your breaks during the exam. You will definitely need to take breaks according to your comfort. We recommend 2 breaks of 10 minute and 10 minute in your exam schedule after every lot of questions

Exam Taking Strategy:

- 1st Hour - Any question within 30 seconds answerable goes here. Answer all possible simple questions. Skip lengthy, mathematical, complicated, graphical questions.
- 2nd Hour – Any question within 100 seconds answerable must go here. Rest any kind of question, push to next round
- 3rd & 4th Hour – All possible questions and left over questions.



Utilize Exam Resources

- **Demo System.** Upon starting the exam, you will be allocated a System to play around demo questions.
 - Please utilize the **demo feature** available in the exam system to get familiarized with the exam taking features.
 - After you are familiar to the exam demo system, then you start your exam.
 - From that moment you click “Start Exam” your 240 Minutes(4 hours) is accounted.
- **White Sheets.** Upon starting the exam, you will be given 2 white sheets with Pencil.
 - As soon as the sheets are provided, **jot down** all the **complicated formulae's** from the Forecasting & TCPI of EVM(Earned Value Management) from Cost Chapter.
 - Utilize the white sheets also to keep a **parking lot column**, this should be used to write down all the “2 similar answers” questions where you are not able to come to a conclusion answer. Once you have documented all like these ambiguous ones, in the last 30 minutes utilize the parking lot and clear all these questions.



Tackle: Lengthy Questions

- What are lengthy questions like?
 - Case 1. Two Paragraphs of Question followed by Single Line Answers
 - Case 2. Single Line Question followed by Each answer option of 3 Lines
- How to tackle Lengthy Questions?
 - For Case 1. Instead of reading lengthy paragraph question, look for the “?” question mark symbol. Read that Question line first. Then you scan through the two paragraphs. There may be lot of redundant information, which could be easily trashed.
 - For Case 2. See the answer options and make comparisons between the answers. Make the notes of comparing in the white sheet papers and tackle them.



Tackle: Graphical Questions

- What are Graphical Questions like?
 - Network Diagrams
 - Decision Tree Diagrams
 - Make or Buy Analysis Diagrams
 - Simulation Diagrams
 - Fish Bone Diagrams
 - Process Control Chart Diagrams
- How to tackle Graphical Questions?
 - Even though these graphical questions may look easy to address, it is better to avoid them in the first instance.
 - The reason to avoid them is simple. They are time consuming questions.
 - Answers to these questions is definitely correct. However, they will also definitely eat lot of your precious time in exam.
 - Remember the Key “Spend time on all questions, not just only what you could answer correctly”.



Tackle: Mathematical Questions

How many of you like Mathematical Questions?

- There may be 8-10 formula related questions on average!
 - Of this 8-10 questions, you should be anticipating at least 3-5 questions with direct application on questions.
- Kindly ensure to mark them for review if you would think that it will take more than 40 seconds to answer such questions.
- For the questions with direct formula based application, if you can identify that it is a straight forward calculation – attempt.
- Please understand you are in the exam to answer many correct questions not just only a subset of questions.
- Finally, be conscious of your Exam time. Think which one would you prefer?
 - 4-5 Mathematical Questions spending 10-20 Minutes time OR
 - 15-20 Questions spending the same 10-20 Minutes time in exam



Exam Attention

During exam, pay attention to key words importantly:

- “NOT” “NO” “NEVER” “Less” “ALWAYS” “MOST” “LEAST” “BEST” “LAST” “FIRST” “EXCEPT” “IMMEDIATE” and so on for every question, before you click the answer correct

During exam, do not expect every answer to mean something to you. There is a lot of crap answers which does not mean anything at all.

Examples:

- “Performance Oriented Risk Analysis”
- “Continuous Periodic Quality Margin”
- “Simplistic Estimation Technique”
- “Extensive Performance Implementation”



Extra Terms & Tips on Subject

- Parkinson's Law – “work expands so as to fill the time available for its completion”
- Multi Tasking on Activities – Best Approach. One Task at a Time Per Resource.
- Buffer on Activities – should not be considered. If considered feeding buffers and/or project buffer should be considered for tradeoff on uncertainty.
- 8/80 Rule – Best Practice of making Work Packages realistic. Plan 8hours of work per day per resource for 80hours(2 weeks) per work package.
- Heuristics – Typically refer to Rule of Thumb actions applied in the Project context. Such as 8/80 in a Project.
- Sunk Costs – Costs incurred on the project, which will not be recovered.
- Ethnocentrism – Belief of one's own culture and values are far superior than other culture and values.
- Monopoly – A situation in market/business, where the dominance/control is by one single company.
- Oligopoly – More like a Monopoly, but controlled by at least 2 or small groups of companies.
- Gold Plating – is act of giving the customer more than what originally asked for.
- Zeigarnik Effect – Project managers may remember tasks in progress better than recently completed tasks
- Halo Effect – People may have be doing a great job. However, one task not done by the team, can create a Halo effect in mind of the person evaluating performance that all tasks are also not done effectively by people.

Extra Terms & Tips on Subject

- “Force majeure” is a kind of clause that you’ll see in a contract. It says that if something like a war, riot, or natural disaster happens, you’re excused from the terms of the contract.
- Phase exit: As and when there are Project Phases completed, a review point of deliverables, finance accounting and many such activities, almost as good as Project Closure is performed.
- Kill point: The tolerance level at which the Project is going to be terminated with no further intimation automatically. This can be at Milestone, Phase completion, or any other juncture of the Project progress.
- Stage gate: In many projects, stage gates are established for the Milestone reviews. These gates are Control points and move forward and/or Go-No Go Decision points.
- Gantt Chart: Pictorial representation of the Project plan or progress chart.
- Opportunity Cost is the Opportunity which we are not able to invest in due to shortage of funds/resources/whatever.
 - Take an example, Organization has \$10000 Budget. This can be invested for Projects.
 - Project A if invested will give us benefits of \$15000. Project B if invested will benefit us by \$12000. Naturally, we would invest in the Project A to realize \$15000.
 - Since we invested here, we do not have any Budget left to invest in Project B, hence we have lost an Opportunity of \$12000. This \$12000 is referred to as Opportunity Cost.

Boost your chances to Pass PMP in 1st Attempt

- Basic Assumptions for Exam:
 - Consider Working always in a Balanced Matrix Organization without mention as well
 - Consider a project managers role always to be in the centre stage, on one side a client exists and on the other side a vendor exists
 - Exam questions are scenario based, as if you are present in that situation. Consider you have done perfect planning, perfect execution, perfect monitoring, perfect controlling for every question scenario.
 - Always consider a Mega Size Product Development Environment for Project.
- Follow these, this helps in Exam:
 - Memorize any difficult formulae and write them down in the white sheet in exam hall
- Remember Cost Management!
 - Project Budget = Approved Money for Work + Contingency Reserve + Management Reserve

Formula's Snapshot

Project Selection

- $PV = \frac{FV}{(1+r)^n}$
- $FV = PV * (1 + r)^n$

- Highest NPV number wins.
- Highest IRR number wins.
- Highest ROI number wins.
- Lowest Payback Period number wins.
- $Payback\ Period = \sum Projected\ Cash\ Inflow - \sum_{i=0} Expenses$

- $BCR = \frac{Benefit}{Cost}$

- $CBR = \frac{Cost}{Benefit}$

- Opportunity Cost = Value of project not being chosen

PV – Present Value
FV- Future Value
r – Interest rate
n – time period
NPV – Net Present Value
ROI – Return on Investment
IRR – Internal Rate of Return
BCR – Benefit Cost Ratio
CBR – Cost Benefit Ratio

Benefit Cost Ratio
BCR >1 Means Better Benefit

Cost Benefit Ratio
CBR <1 Means Better Benefit

Communications

- Number of Communication Channels = $\frac{n * (n-1)}{2}$

Procurement

- Point of Total Assumption(PTA) = $\frac{Ceiling\ Price - Target\ Price}{Buyers\ Share\ Ratio} + Target\ Cost$

Risk

- Expected Monetary Value(EMV) = $P * I$

P – Probability
I – Impact

Arithmetic Calculations

- Average(Mean) = $\frac{Sum\ of\ the\ Numbers}{Number\ of\ Items}$

- Median = Arrange all the values in order and pick the middle number. In case of two middle number, take mean of two numbers.

- Mode = Most occurring number in dataset

Formula's Snapshot

Earned Value Management (EVM)

- $EV = \frac{PV}{AC}$
- $CV = EV - AC$
- $SV = EV - PV$
- $CPI = \frac{EV}{AC}$
- $SPI = \frac{EV}{PV}$
- $TCPI = \frac{BAC/EV}{BAC/AC}$
- $EAC \text{ (no variances)} = \frac{BAC}{CPI}$
- $EAC \text{ (with variances)} = AC + ETC$
- $EAC \text{ (typical)} = AC + (BAC - EV)$
- $EAC \text{ (atypical)} = AC + \frac{BAC - EV}{CPI}$
- $ETC = EAC - AC$
- $VAC = BAC - EAC$
- $CPI^C = \frac{EV^C}{AC^C}$
- Percent Complete = $EV / BAC * 100$

CV – Cost Variance
SV – Schedule Variance
AC – Actual Cost
PV – Planned Value
CPI – Cost Performance Index
SPI – Schedule Performance Index
EAC – Estimate at Completion
BAC – Budget at Completion
TCPI – To Complete Performance Index

ETC – Estimate to Complete
EV – Earned Value
VAC – Variance at Completion

C – Cumulative

Formula's Snapshot

Hard Values

- 1 sigma = 68.26%
- 2 sigma = 95.46%
- 3 sigma = 99.73%
- 6 sigma = 99.99% (3.4 Defects Per Million Opportunities)

- Control Limits = 3 sigma from mean
- Control Specifications = Defined by customer

- Rough Order of Magnitude(ROM) estimate = -25% to +75%
- Preliminary estimate = -15% to + 50%
- Budget estimate = -10% to +25%
- Definitive estimate = -5% to +10%
- Final estimate = 0%

- Float on the critical path = 0 days
- Pareto Diagram = 80/20
- Crashing a project = Crash least expensive tasks on critical path
- Time Project Manager Communicates \geq 90%

Network Diagram

- Activity Duration = $EF - ES$
OR
- Activity Duration = $LF - LS$

- Total Float = $LS - ES$
OR
- Total Float = $LF - EF$

- Free Float(FF) = $ES \text{ of following} - ES \text{ of Present} - DUR \text{ of Present}$

- $EF = ES + Duration$
- $LF = LS + Duration$

- $ES = EF \text{ of Predecessor}$
- $LS = LF - Duration$

EF – Early Finish
ES – Early Start
LF – Late Finish
LS – Late Start

Formula's Snapshot

PERT(Program Evaluation and Review Technique) for Cost or Duration

- 3 Point Estimate for Cost or Duration = $\frac{P + 4M + O}{6}$
- Simple Average = $\frac{P+M+O}{3}$
- Standard Deviation = $\frac{P-O}{6}$
- Variance of an activity = $\left\{\frac{P-O}{6}\right\}^2$

P – Pessimistic Value

M – Most Optimistic Value

O – Optimistic Value

Exam Prep Essentials



- ✓ Exam Preparation Strategy
- ✓ Exam Taking Strategy
- ✓ Exam Questions Answering

This brings to “PMP® Exam Preparation Essentials” Completion.

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