

# MoV<sup>®</sup> Foundation

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# The Foundation Examination

## Multiple Choice

### *40 minutes Paper*

#### *Instructions*

1. All 50 questions should be attempted.
2. All answers are to be marked on the answer grid provided.
3. Please use a pencil and NOT ink to mark your answers in the Answer sheet provided.
4. There is only one correct answer per question.
5. You have 40 minutes for this paper.
6. You must get 25 or more correct to pass.

**Candidate Number:** .....

- 1 Which resources does the Value Ratio consider?
  - a) Money and time only
  - b) Money, time and quality only
  - c) Money, people, time, quality and materials only
  - d) Money, people, time, energy and materials only
  
- 2 Which statement describes Management of Value (MoV)?
  - a) A framework designed to minimise costs
  - b) A collective term for many processes that are aimed at maximising value
  - c) A means to establish objectives for an organisation
  - d) A management approach to encourage teamwork
  
- 3 Which statement regarding Management of Value is true?
  - a) It focuses exclusively on minimizing an organization's costs
  - b) It ensures that all individual stakeholder needs are met
  - c) It supports decision-making based on maximizing value for money
  - d) It focuses on products rather than functions

- 4 For which combination of the following situations would an operational MoV Study normally be considered advantageous?
1. A project has just been commissioned for use.
  2. There is a need to improve existing service operations.
  3. Once a project has successfully delivered its output.
  4. There is a need to retain a service without end users.
- a) 1, 2, 3
  - b) 1, 2, 4
  - c) 1, 3, 4
  - d) 2, 3, 4
- 5 Which is an example of delivering a tangible return on investment?
- a) Completion of a project
  - b) A programme delivering a reduction in operating costs
  - c) MoV processes being followed
  - d) Expenditure of a project budget
- 6 Which is **NOT** one of the seven MoV principles?
- a) Align with organizational objectives
  - b) Focus on deliverables and outputs
  - c) Learn from experience and improve
  - d) Tailor to suit the subject

- 7 Why should MoV activities align with an organization's objectives or portfolio strategy?
- a) Because MoV is the mechanism for delivering the outputs which will help an organization to meet its objectives
  - b) To ensure that measures to maximize value in one area do NOT adversely impact on value across the wider organization
  - c) To ensure that MoV activities can be carried out irrespective of the broader organizational strategy
  - d) To ensure that there is an overlap of objectives between projects within a programme
- 8 Which questions does a Function Diagram answer when relating Value Drivers to project objectives?
- a) How and why
  - b) Who and what
  - c) When and who
  - d) How and what
- 9 Identify the missing word in the following sentence.

MoV reconciles the views of different stakeholders to maximise value by [ ? ] consensus on differing expectations

- a) brokering
- b) requiring
- c) preventing
- d) measuring

- 10 What an essential responsibility for senior management when establishing MoV?
- a) Defining the roles of each team member in an MoV study
  - b) Identifying key MoV Study stakeholders
  - c) Monitoring improvements in value
  - d) Actively backing the use of MoV in the organization
- 11 Which would **NOT** normally appear in a Business Case?
- a) Expected Benefits
  - b) Expected Timescales
  - c) Project Team
  - d) Procurement Strategy
- 12 What is the main objective of conducting an MoV Study at the beginning of a potential programme?
- a) To establish the requirements for the MoV Project Plan
  - b) To strengthen existing information in order to decide whether or not to authorize the initiation of a programme
  - c) To describe the purpose of a series of MoV Studies throughout a project
  - d) To test early models or prototypes before a design is fixed

- 13 Which is a key process used to gather information for an MoV Study?
- a) Consult Stakeholders
  - b) Benchmark Competitors
  - c) Maintain Confidentiality
  - d) Examine the whole project
- 14 Which is a selection criterion for an MoV study team member?
- a) Is available to join the Study
  - b) Has the skill and other abilities to contribute positively to a Study
  - c) Represents an important stakeholder
  - d) Has a passionate interest in the outputs of the Study
- 15 What is good practice to strengthen objectivity in a well-balanced MoV study team?
- a) Motivating interaction between team members
  - b) Demonstrating knowledge of the issues and skills in providing a solution
  - c) Involving people who represent all critical disciplines and stakeholders views
  - d) Involving experienced people who are **NOT** otherwise involved in the project

- 16 Which would be undertaken in the Process Information process?
- a) Collate information gathered to date and document the analyses already conducted
  - b) Meet with key stakeholders to gain consensus on MoV Study objectives
  - c) Decide to implement part of a Value Improving Proposal
  - d) Review cost estimates to check for double counting
- 17 Why is team-building particularly important during an MoV Study?
- a) MoV Study participants should collaborate
  - b) MoV requires a high-performance team to achieve results
  - c) MoV Studies often must be completed within tight timescales
  - d) MoV Studies expect all participants to add value
- 18 Which statement applies when establishing an MoV study team?
- a) Each team member should have an interest in every aspect of the project
  - b) In the early stages of a project it is **NOT** necessary to involve all major stakeholders
  - c) The Study Leader should be responsible for selecting all roles of the study team
  - d) Team members should be selected for their skills and other abilities to contribute to a Study



- 19 Which is **NOT** a way of assessing performance impact?
- a) Reviewing dependencies on the project schedule
  - b) Monitoring benefits realized
  - c) Reviewing achievement of Key Performance Indicators
  - d) Monitoring throughput or output per employee
- 20 Which statement concerning an assessment of Time Impact in a Value Improving Proposal is true?
- a) If a Value Improving Proposal takes a long time to implement it will normally delay the project
  - b) The time required for project management, holidays, and sickness should be included in the assessment
  - c) It is essential to involve a professional scheduler to estimate duration and resource requirements
  - d) Saving time through any Value Improving Proposal will reduce the overall duration of the project
- 21 Which statement regarding Function Analysis is true?
- a) It focuses mainly on the identification of product components
  - b) It aims to stimulate creative ideas
  - c) It aims to minimize costs
  - d) It identifies potential solutions before defining functions in detail

- 22 Why is it important to tailor MoV to suit the subject?
- a) To ensure the right level of resources are used
  - b) To ensure that it is applied to the same level on all projects and programmes
  - c) To eliminate the use of formal Studies where possible
  - d) To limit the unnecessary adherence to the Principles
- 23 Which is part of the Development or Presentation phases of the Value Engineering Job Plan?
- a) Agree the implementation plan
  - b) Prepare a workshop handbook
  - c) Monitor progress of the implementation plan
  - d) Brainstorm ideas to improve value
- 24 Which is **NOT** a use of Value Profiling?
- a) Testing key stakeholder agreement about requirements
  - b) Determining the relative importance of key stakeholders
  - c) Assisting with assessing improvements in performance
  - d) Assisting with assessing improvements in value

- 25 Which value index indicates the poorest performance and therefore has the most improvement potential?
- a) 50
  - b) 280
  - c) 600
  - d) 900
- 26 Which statement regarding the Value Index is true?
- a) It shows how well a project satisfies its objectives
  - b) It must have a range between 1 and 10
  - c) It forms the basis for developing the Value Drivers
  - d) It shows whether a project delivers value for money
- 27 Which statement regarding the Value for Money Ratio is **FALSE**?
- a) It enables project resources to be focused on areas offering the greatest value
  - b) It should only be used at the outset of a project
  - c) It can be used to monitor progress throughout a project
  - d) It can be used to inform option selection

- 28 Which is **NOT** one of the phases in the Value Engineering Job Plan?
- a) Development
  - b) Creative
  - c) Implementation
  - d) Cost
- 29 Which statement regarding the Value for Money Ratio is true?
- a) It enables resources to be deployed where they will provide greatest value
  - b) It considers only monetary benefits
  - c) It only applies at the start of a project
  - d) It should NOT take into account the Value Index
- 30 What is shown on a Value Tree?
- a) All of the required product outputs for a project and the relationship between them
  - b) All of the cost elements and how they relate to project value
  - c) The relationship between, and the hierarchy of, Value Drivers
  - d) What project activities are required to realise desired project objectives

- 31 Why is discounted cash flow analysis (DCF) useful in MoV Studies?
- a) It calculates total cost by adding together initial capital costs, periodic capital costs over the lifecycle, and regular costs such as staff or consumables for operations
  - b) It is a reliable and rigorous method for comparing alternative options which involve large capital cost more than 25 years in the future
  - c) It enables comparison of Projects which involve different cash flow timing
  - d) It is designed to ensure that Value Improving Proposals will generate positive cash flows in each year
- 32 Which technique is used to select the most promising option for further analysis from a small number of options?
- a) Value Tree
  - b) Evaluation Matrix
  - c) Value Driver
  - d) Value Improving Proposal
- 33 Which statement regarding Discounted Cash Flow Analysis is true?
- a) It shows the effect of discounting prices to increase sales
  - b) It uses the Net Present Value to show the current value of a proposed investment
  - c) It adds together project costs without considering when the costs are incurred
  - d) It is used over a time period of more than ten years

- 34 Which describes the 'paired comparison technique' as applied in an MoV Study?
- a) A method which combines the two most important Value Drivers and evaluates their combined importance
  - b) A method which combines the two most useful Value Improvement Proposals and evaluates their combined effectiveness
  - c) A method which achieves consensus by requiring team members to work in pairs when preparing to make decisions
  - d) A method which assesses the relative weighting of attributes by requiring team members to compare the relative performance of two items at a time
- 35 Which combination of the following criteria would influence the choice of weighting technique to use in an MoV Study?
- 1. Minimize the contributors ability to bias results
  - 2. Eliminate any measure of subjectivity
  - 3. Enable prioritization of Value Drivers
  - 4. Focus on guidance rather than establishing facts
- a) 1, 2, 3
  - b) 1, 2, 4
  - c) 1, 3, 4
  - d) 2, 3, 4
- 36 What technique is **BEST** for generating a large number of ways to improve value and stimulate innovation?
- a) Brainstorm in open discussion to trigger ideas and record the best ideas
  - b) Brainstorm using the Function Analysis model as a guide to focus creative thinking
  - c) Use creative thinking to evaluate each idea as it is identified, reject the unsuitable, and maximize innovative ideas
  - d) Maintain live and visible records which assess the financial impact of each idea identified in order to maintain focus on innovative ideas

- 37 Which technique produces diagrams representing information flows, roles and principal controls in order to understand how an organization works?
- a) Benchmarking
  - b) Root Cause Analysis
  - c) Process Mapping
  - d) Discounted Cash Flow Analysis
- 38 Which is an output of an Option Evaluation Matrix?
- a) Value Driver
  - b) Criterion Weight
  - c) Value for Money
  - d) Option Cost
- 39 What question does Root Cause Analysis primarily ask to establish the root cause of a problem?
- a) What
  - b) When
  - c) Why
  - d) Who

- 40 Which is a technique for generating a large volume of ideas?
- a) Brainstorming
  - b) Option Evaluation Matrix
  - c) Discounted Cash Flow
  - d) Function Analysis
- 41 In what sequence would the following steps occur in the generic MoV Project Plan?
- 1. Gather and analyze information
  - 2. Define the MoV Study objectives
  - 3. Provide training, if necessary, to enable the participants to contribute effectively
- a) 2, 1, 3
  - b) 1, 2, 3
  - c) 3, 1, 2
  - d) 2, 3, 1
- 42 Which statement regarding MoV activities is true?
- a) They should only be conducted at the start of a project
  - b) Their effectiveness should be reviewed at the end of a project
  - c) Lessons learned from a project should NOT affect 'business as usual' activities
  - d) In a programme environment, MoV activities should only be carried out at the programme level



- 43 Who should establish the Value Profile for a Project?
- a) The MoV Study Leader
  - b) The Project Owners and End Users
  - c) The Project Delivery Team
  - d) The MoV Study Leader and Project Delivery Team
- 44 What should an MoV Study Leader do to gain a better understanding of an organization's business drivers?
- a) Understand the organization's culture
  - b) Understand what the organization does
  - c) Understand the organization's market proposition
  - d) Understand the organization's jargon
- 45 Which question is used to provoke a step change in Value?
- a) What alternative product can we deliver?
  - b) Which component should be replaced?
  - c) How else can we perform the required function?
  - d) What cheaper product would be acceptable?

- 46 Which is generally true for MoV scenarios?
- a) Only the best individual Value Improvement Proposals are implemented
  - b) Individual Value Improvement Proposals are grouped to show the aggregate effect over the whole project
  - c) The Value Index of each scenario is maximized
  - d) The Value for Money Ratio of each scenario is maximized
- 47 Which statement concerning resource allocation is true?
- a) Ways of increasing resource allocation should be considered when a Value Driver is relatively unimportant and few resources are required to fulfil it
  - b) Ways of increasing resource allocation should be considered when a Value Driver is relatively important and few resources are allocated to fulfil it
  - c) Resource allocation should be in direct proportion to the Value Profile for a product
  - d) The Cost/Worth method provides an indicator of whether resource allocation provides good value
- 48 Why should the plan for implementing Value Improving Proposals be monitored?
- a) MoV requires creation of a Benefits Management System
  - b) It records the person responsible for implementing each Value Improving Proposal
  - c) It ensures expected improvements in value are actually realized
  - d) MoV studies are commonly run on tight budgets

- 49 Which is **NOT** likely to be an instruction to an MoV Study Leader who works in business operations?
- a) Proceed with the MoV Study once the project has delivered its outputs and has been commissioned for use
  - b) Examine the need to improve existing service operations
  - c) Initiate an MoV Study whenever organizational circumstances change
  - d) Conduct an MoV Study with the aim of retaining the business operations which do NOT have end users
- 50 Which activity should be done first when embedding MoV in an organization?
- a) Assign roles and responsibilities
  - b) Capture and analyze data
  - c) Develop Study Leaders Handbook
  - d) Develop MoV Policy

