

# ARE Project Management (PjM) Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

- 1. Which type of contract places most of the risk on the contractor?**
  - A. Time and Materials Contract**
  - B. Cost-Plus Contract**
  - C. Fixed-Price Contract**
  - D. Unit Price Contract**
- 2. What type of risk response involves reducing the impact or likelihood of a risk?**
  - A. Avoidance**
  - B. Transfer**
  - C. Mitigation**
  - D. Acceptance**
- 3. What is the role of eDART in relation to a Transmission Owner's information?**
  - A. To provide financial reports**
  - B. To offer operational guidelines**
  - C. To present updated reactive capability information**
  - D. To streamline communication between Members**
- 4. Which of the following are the three primary constraints of project management?**
  - A. Quality, risk, and resources**
  - B. Time, scope, and cost**
  - C. Time, resources, and quality**
  - D. Cost, communications, and stakeholder satisfaction**
- 5. What approach is used to resolve conflicts within a project team?**
  - A. Ignoring the conflicts until they resolve themselves**
  - B. Conflict resolution techniques, such as negotiation or mediation**
  - C. Formal complaints to management**
  - D. Assigning blame to individuals involved**

- 6. How much Emergency Reducible Generation should be reported given the maximum and minimum generation outputs?**
- A. 10,750 MW**
  - B. 7,350 MW**
  - C. 5,000 MW**
  - D. 2,350 MW**
- 7. Which scenario indicates a need for Immediate Response in PJM operations?**
- A. Preparation for scheduled maintenance**
  - B. Significant generation loss or load change**
  - C. Routine performance evaluation**
  - D. Assessment of historical data trends**
- 8. What is the role of the project sponsor?**
- A. To manage day-to-day project activities**
  - B. To provide overall direction, support, and resources for the project**
  - C. To conduct detailed technical analysis**
  - D. To monitor project tasks and deadlines**
- 9. What is the primary purpose of the Delphi technique in project management?**
- A. To estimate project costs and schedules**
  - B. To gather expert opinions and reach a consensus**
  - C. To evaluate team performance**
  - D. To create a communication plan**
- 10. Project scope refers to what aspect of a project?**
- A. The budget allocated for the project**
  - B. The timeline of the project completion**
  - C. The sum of all products, services, and results to be provided as part of the project**
  - D. The quality metrics for the deliverables**



## **Answers**

1. C
2. C
3. C
4. B
5. B
6. D
7. B
8. B
9. B
10. C

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## **Explanations**

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**1. Which type of contract places most of the risk on the contractor?**

- A. Time and Materials Contract**
- B. Cost-Plus Contract**
- C. Fixed-Price Contract**
- D. Unit Price Contract**

A fixed-price contract places the majority of the risk on the contractor because it establishes a set price for the project regardless of the actual costs incurred. This means that if the contractor underestimates the time and resources needed to complete the work, they will not be able to charge the client more than the agreed-upon price. Consequently, the contractor must manage costs and avoid overruns to protect their profit margin. This type of contract incentivizes efficiency and effective project management since any cost overruns directly affect the contractor's bottom line. In contrast, time and materials and cost-plus contracts typically distribute the risk differently, with the client bearing a larger portion of the risk. Time and materials contracts charge the client based on the actual time spent and materials used, which can lead to uncertainty regarding final project costs. Cost-plus contracts reimburse the contractor for their actual costs plus an additional fee or percentage, making it less risky for the contractor since they are guaranteed to cover their expenses. Unit price contracts set a price per unit but carry a different risk profile, as the contractor is paid based on the quantity of work done, which can vary throughout the project.

**2. What type of risk response involves reducing the impact or likelihood of a risk?**

- A. Avoidance**
- B. Transfer**
- C. Mitigation**
- D. Acceptance**

Mitigation is a risk response strategy specifically focused on reducing either the likelihood or the impact of a risk. This approach involves implementing measures that directly address the risk, aiming to lessen the potential negative consequences that could arise if the risk occurs. Mitigation strategies may include actions such as changing project plans, enhancing safety protocols, employing additional resources, or investing in technology to lower the chances of an adverse event happening. Understanding mitigation is crucial for effective project management, as it allows project managers to proactively handle risks rather than waiting for them to manifest. By reducing the severity or probability of a risk, mitigation contributes to maintaining project integrity and meeting objectives more reliably.

### 3. What is the role of eDART in relation to a Transmission Owner's information?

- A. To provide financial reports
- B. To offer operational guidelines
- C. To present updated reactive capability information**
- D. To streamline communication between Members

The role of eDART, which stands for the Enhanced Data Automated Reporting Tool, is primarily focused on presenting critical operational data, specifically regarding the reactive capability of Transmission Owners. This tool is integral in ensuring that Transmission Owners have access to updated and accurate information about their reactive power capabilities, which is essential for maintaining grid reliability and stability. Access to timely reactive capability data allows Transmission Owners to make informed decisions concerning their operations and maintenance strategies. It enables them to understand their performance in relation to grid demands and to proactively manage resources to support grid operations. This capability is particularly important in an environment where power demand can fluctuate and where grid stability is paramount. The other options do not align with the primary function of eDART. While operational guidelines and streamlined communication are essential for Transmission Owners, they fall outside the specific data focus that eDART provides. Financial reports are also pertinent but pertain more to fiscal aspects rather than operational capabilities. Thus, the primary role of eDART centers on delivering up-to-date reactive capability information.

### 4. Which of the following are the three primary constraints of project management?

- A. Quality, risk, and resources
- B. Time, scope, and cost**
- C. Time, resources, and quality
- D. Cost, communications, and stakeholder satisfaction

The three primary constraints of project management are time, scope, and cost, often referred to as the "triple constraint" or the "project management triangle." These three elements are interdependent; a change in one area can significantly impact the others. Time refers to the scheduled duration for project completion and the deadlines that must be met. Scope outlines the specific deliverables and work required to produce the desired outcomes of the project. Cost includes the budget allocated to the project, encompassing resources, materials, labor, and any other financial expenditures. The significance of these constraints is rooted in the goal of achieving a successful project outcome while maintaining a balance among them. For example, if a project is behind schedule (time constraint), a project manager might need to increase costs for additional resources or reduce the project scope to meet deadlines. Understanding this foundational framework is essential for effective project management, as it allows project managers to navigate challenges and make informed decisions that align with project goals. Each of the other options listed includes factors important to project management but does not encompass the three primary constraints as effectively as time, scope, and cost.

**5. What approach is used to resolve conflicts within a project team?**

**A. Ignoring the conflicts until they resolve themselves**

**B. Conflict resolution techniques, such as negotiation or mediation**

**C. Formal complaints to management**

**D. Assigning blame to individuals involved**

The approach that involves using conflict resolution techniques such as negotiation or mediation is effective because it directly addresses the issues at hand while promoting collaboration among team members. Techniques like negotiation allow team members to voice their concerns, understand different perspectives, and work together towards a mutually acceptable solution. Mediation can also bring in an impartial third party to help facilitate discussions and guide the resolution process in a constructive manner. Utilizing these techniques fosters a positive team environment and helps maintain relationships within the team, which is crucial for the overall success of the project. It emphasizes communication and compromise, allowing team members to feel heard and valued, thereby enhancing teamwork and productivity. Other options would not benefit the team dynamics or project outcomes. For instance, ignoring conflicts may prolong tensions and lead to unresolved issues, while formal complaints can escalate the matter unnecessarily and create a hostile environment. Assigning blame undermines collaboration and trust, further complicating the conflict rather than resolving it. Thus, employing conflict resolution techniques stands out as the most effective and constructive approach.

**6. How much Emergency Reducible Generation should be reported given the maximum and minimum generation outputs?**

**A. 10,750 MW**

**B. 7,350 MW**

**C. 5,000 MW**

**D. 2,350 MW**

To determine how much Emergency Reducible Generation should be reported, it's essential to understand the concept of emergency generation capacity. This refers to the generation resources that can be curtailed in times of emergency to prevent grid instability or outages. When looking at the maximum and minimum generation outputs, the calculation focuses on the difference between these two outputs. The emergency reducible generation can be derived from the scenario where the system can reduce output to certain levels in emergency situations. In this case, it seems that the lowest state of generation output aligns closely with the right choice, which indicates that the system can safely reduce to that level without compromising the stability or reliability of the electric grid. Therefore, when the maximum generation structures allow for a reduction down to a specific capacity which is significantly low, reporting that minimum provides a precise measure of the potential emergency reduction available. This implies that the amount reported as Emergency Reducible Generation reflects the capacity that is deemed unnecessary or excess during periods of reduced demand or supply challenges, thus ensuring the grid can be managed effectively in emergencies.

**7. Which scenario indicates a need for Immediate Response in PJM operations?**

- A. Preparation for scheduled maintenance**
- B. Significant generation loss or load change**
- C. Routine performance evaluation**
- D. Assessment of historical data trends**

The scenario that indicates a need for Immediate Response in PJM operations is one involving significant generation loss or load change. This situation requires swift action because any substantial fluctuation in generation or load can directly impact system stability and reliability. If there is a major loss of generation, it may lead to frequency imbalances, potentially resulting in outages or other operational crises. Immediate response protocols ensure that operators can quickly address the imbalance by adjusting generation levels, activating reserve power, or managing demand to restore balance to the system. This contrasts with the other scenarios, which typically involve planning, evaluation, or analysis and do not necessitate urgent action. For example, scheduled maintenance preparation and routine performance evaluations are proactive measures aimed at improving system efficiency and reliability over time, while the assessment of historical data trends helps in planning for future operations but does not require an immediate intervention.

**8. What is the role of the project sponsor?**

- A. To manage day-to-day project activities**
- B. To provide overall direction, support, and resources for the project**
- C. To conduct detailed technical analysis**
- D. To monitor project tasks and deadlines**

The project sponsor plays a crucial role in the overall success of a project by providing strategic direction, support, and the necessary resources required for the project to thrive. This position is typically filled by someone who has the authority to make decisions and allocate resources, enabling them to facilitate the project's objectives and align them with the organization's goals. By offering overall direction, the project sponsor helps ensure that the project remains aligned with the strategic vision of the organization. Their support is not limited to authorization; they also help to remove impediments that may arise during the project's lifecycle. Moreover, the sponsor often serves as the primary link between the project team and senior management, advocating for the project and ensuring that it receives the attention it requires. The responsibilities outlined in the other options do not align with the role of a project sponsor. Day-to-day project management is usually handled by the project manager or project team. Conducting detailed technical analysis typically falls to specialists or technical team members rather than the sponsor. Monitoring project tasks and deadlines is also generally the responsibility of the project management team, as they track progress and ensure that deliverables meet the necessary timelines.

**9. What is the primary purpose of the Delphi technique in project management?**

- A. To estimate project costs and schedules**
- B. To gather expert opinions and reach a consensus**
- C. To evaluate team performance**
- D. To create a communication plan**

The primary purpose of the Delphi technique in project management is to gather expert opinions and reach a consensus. This method is particularly valuable in situations where uncertainty exists, allowing project managers to harness the knowledge of experts in a structured manner. By using a series of questionnaires or rounds of discussions, experts can anonymously share their insights on specific issues. The iterative process continues until a convergence of opinion is achieved, helping teams make informed decisions based on collective expert judgment. In the context of project management, this technique is often employed for risk assessment, forecasting project outcomes, or developing project estimates. It stands out for its ability to amalgamate diverse viewpoints, reducing the bias that might arise in group discussions due to dominant personalities or the pressure of groupthink. Ultimately, the Delphi technique enhances the decision-making process by cultivating a well-rounded perspective on critical project issues.

**10. Project scope refers to what aspect of a project?**

- A. The budget allocated for the project**
- B. The timeline of the project completion**
- C. The sum of all products, services, and results to be provided as part of the project**
- D. The quality metrics for the deliverables**

Project scope is fundamentally about defining and detailing the work that needs to be accomplished in a project. It encompasses all the products, services, and results that are to be delivered as part of the project. This clear definition of scope helps ensure that everyone involved understands exactly what is included and what is excluded from the project, reducing ambiguity and miscommunication. By identifying the sum of all deliverables, project managers can effectively manage expectations, allocate resources, and measure progress accurately. This allows the project team to focus on meeting specific objectives, leading to successful project completion. The other choices touch on important aspects of project management, such as budgeting, scheduling, and quality metrics, but they do not define what the project scope actually is. Budget pertains to financial resources, the timeline involves scheduling and deadlines, and quality metrics relate to performance standards. Each of these is critical for project success, but they do not encapsulate the full scope of what a project encompasses.



## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://projectmanagement-are.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**