

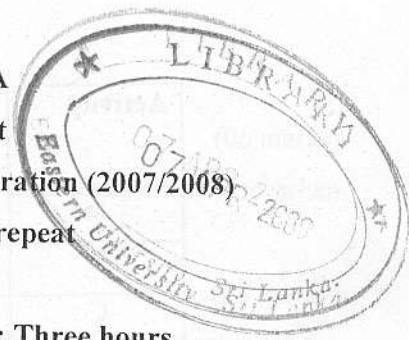
EASTERN UNIVERSITY, SRILANKA

Faculty of Commerce and Management

Special Examination for Final Year in Business Administration (2007/2008)

(December/January 2008/2009) Repeat/ Re-repeat

MGT 4033 – Project Management



Answer All questions

Time: Three hours

- a. Define the term “Project” & briefly explain how projects could help for economic development of a country. (06 marks)
- b. Briefly describe the factors to be considered for project identification. (07 marks)
- c. The process of project management can be split into a number of stages. Briefly describe each of these stages. (07 marks)
- (Total 20 marks)
- Q2 a) “Evaluation is an important instrument to measure the validity of a project. There are number of techniques used to evaluate project. Each technique is judged by some factors”. Briefly explain the main purpose of project evaluation. (06 marks)
- b) A company plans for an industrial project. Assuming that you are a project manager of company, what are the main aspects you may the look in to the appraisal of the project. (08 marks)
- c) “Documentation of a project idea is very important in project formulation“. Do you agree? Explain. (06 marks)
- (Total 20 marks)
- Q3 a) A project team has been organized at Eastern University Sri Lanka to design and develop a straightly different system of presently launched local area network system in the new building area of the university. The project team knows that overtime and other means can be used to accelerate some of the activities. Towards preparing for these discussions, the team has prepared these cost-time schedules.

Activity	Preceding Activity	Normal duration	Crash Duration	Normal cost (Rs)	Crash Cost (Rs)
A	-	20	18	10,000	14,000
B	A	10	5	12,000	16,500
C	B	8	3	6,000	11,000
D	A	11	9	4,000	5,600
E	C,D	7	-	-	-
F	E	6	-	-	-
G	D	12	9	9,000	11,000
H	E	13	12	12,000	13,500
I	G,H	5	-	-	-

b) Draw the network diagram and identify the critical path.

(10 marks)

c) Calculate the minimum duration and associated cost.

(10 marks)

(Total 20 marks)

Q4 a) DM company Ltd proposes to start a new project of manufacturing garments. The estimates of the new project are as follows:

Output of garments per annum - 300,000

Expected sales revenue per annum - 15,000,000

Variable cost - 6,800,000

Break even point (BEP) - 125,000

a) Calculate the fixed cost.

(04 marks)

b) If the variable cost reduces by 10% what will happen to BEP?

(03 marks)

c) Prepare the sensitivity analysis chart for question b.

(03 marks)

b) Briefly discuss the causes for the projects failure in the developing countries.

(10 marks)

(Total 20 marks)

Q5 a) What do you mean by feasibility study?

(06 marks)

b) Cite a non-government organization, and identify the challenges they face when recruit employees for the organization.

(08 marks)

c) Effective **teamwork** is a key factor for most projects success. Discuss some of the characteristics of effective project teams and some of the common barriers to effective project teams.

(06 marks)

(Total 20marks)

