

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT

Final Year First Semester Examination in Bachelor of Business Administration —
2014/2015 (May, 2017) Proper/Repeat
MGT 4023 Project Management

Answer all questions

Time: 03 Hours

- Q1. Read the following case study carefully and select the correct answer for the questions given below.

Background

Sarah's project had now become more complex than she had anticipated. Sarah's company had a philosophy that the project manager would be assigned during proposal preparation, assist in the preparation of the proposal, and take on the role of the project manager after contract award, assuming the company would be awarded the contract.

Usually, contract go-ahead would take place within a week or two after contract award. This made project staffing relatively easy for most of the project managers. It also allowed that company to include in the proposal a detailed schedule based upon resources that would be assigned upon contract award and go-ahead. During proposal preparation, the functional managers would anticipate who would be available for assignment to this project over the next few weeks. The functional managers could then estimate with reasonable accuracy the duration and effort required based upon the grade level (high quality) of the resources to be assigned. Since the go-ahead date was usually within two weeks of contract award and the contract award was usually within a week or so after proposal submittal, the schedule that appeared in the proposal was usually the same schedule for the actual project with very few changes. This entire process was based upon the actual availability of resources rather than the functional managers assuming unlimited resources and using various estimating techniques.

While this approach worked well on most projects, Sarah's new project had a go-ahead date of three months after contract award. For the functional managers, this created a problem estimating the effort and duration. Estimating now had to be made based upon the assumption of unlimited availability rather than the availability of limited resources. Functional managers were unsure as to who would be available three or four months from now, yet some type of schedule had to appear in the proposal.

Sarah knew the risks. When the proposal was being prepared for Sarah's proposal, the functional managers assumed that the average worker in the department would be available and assigned to the project after go-ahead. The effort and duration estimates were then made based upon the average employee. If, after go-ahead, above-average employees would be assigned to her project, she could possibly see the schedule accelerated but had to make sure that cost overruns did not happen because the fully loaded salary of the workers may be higher than what was estimated in the proposal. If below-average workers are assigned, a schedule slippage might occur and Sarah would have to look at possible schedule compression techniques, hopefully without incurring added costs.

Award of Contract

Sarah's company was awarded the contract. Sarah had silently hoped that the company would not get the contract, but it did. As expected, the go-ahead date was three months from now. This created a problem for Sarah because she was unsure as to when to begin the preparation of the detailed schedule. The functional managers told her that they could not commit to an effort and duration based upon actual limited resource availability until somewhere around two to three weeks prior to the actual go-ahead date. The resources were already spread thin across several projects and many of the projects were having trouble. Sarah was afraid that the worse case scenario would come true and that the actual completion date would be longer than what was in the proposal. Sarah was certainly not happy about explaining this to the client, should it be necessary to do so.

Approaching Go-ahead Date

As the go-ahead date neared, Sarah negotiated with the functional managers for resources. Unfortunately, her worst fears came true when, for the most part, she was provided with only average or above-average resources. The best resources were in demand elsewhere and it was obvious that they would not be available for her project.

Using the efforts and durations provided by the functional managers, Sarah prepared the new schedule. Much to her chagrin, she would be at least two weeks late on the four-month project. The client would have to be told about this. But before telling the client, Sarah decided to look at ways to compress the schedule. Working overtime was a possibility, but Sarah knew that overtimes could lead to burned-out workers and the possibility of mistakes being made would increase. Also, Sarah knew that the workers really did not want to work overtime. Crashing the project by adding more resources was impossible because there were no other resources available. Outsourcing some of the work was not possible as well because of the statement of work identified proprietary information provided by the client and that the contract would not allow any outsourcing of the work to a third party. Because of the nature of the work, doing some of the work in parallel rather than series was not possible. There was always a chance that the assigned resources could get the job done ahead of schedule but Sarah believed that a schedule delay was inevitable.

Time for a Decision

Sarah had to make a decision about when and how to inform the client of the impending schedule delay. If she told the truth to the client right now, the client might understand but might also believe that her company lied in the proposal. That would be an embarrassment for her company. If she delayed informing the client, there might a chance that the original schedule in the proposal would be adhered to, however slim. If the client is informed at the last minute about the delay, it could be costly for the client and equally embarrassing for her company.

Case Study Questions:

- (1) This case study mainly (chiefly) illustrates.....
 - (a) how difficult it is to estimate effort and duration when bidding on a contract
 - (b) how difficult it is to control the schedule while implementing a project
 - (c) how difficult to make a decision about when and how to inform the client of the impending schedule delay.
 - (d) How difficult it is to allocate the resources while implementing a project.
 - (e) a common situation for most companies in managing their projects.

- (2) In this case study Sarah believed that a schedule delay was inevitable because.....
 - (a) considered schedule compression techniques, were not possible to apply.
 - (b) providing overtime to the workers was not possible.
 - (c) the contract would not allow any outsourcing of the work.
 - (d) the nature of the work.
 - (e) it is a common situation for the most of the projects.

- (3) Out of the following schedule compression techniques, which one was not considered in this case study?
 - (a) Fast-Tracking
 - (b) Crashing
 - (c) Outsourcing
 - (d) Reducing the scope
 - (e) Sub-contracting

- (4) In this case study, created a problem for Sarah because she was unsure as to when to begin the preparation of the detailed schedule.
 - (a) Company was awarded the contract unexpectedly beyond the expectation of Sarah.
 - (b) The go-ahead date of three months after contract award
 - (c) completion date of the project
 - (d) lack of resources to complete the project
 - (e) lack of commitment of functional managers

- (5) Out of the following titles which is the most appropriate or suitable title for the above case study?
- (a) The resource allocation dilemma
 - (b) The common problems in project management
 - (c) The scheduling dilemma
 - (d) Managing a complex project
 - (e) The role of functional managers in project management
- (6) According to this case study, could estimate with reasonable accuracy the duration and effort required based on the grade level of the resources to be assigned.
- (a) project managers only
 - (b) functional managers only
 - (c) both project and functional managers
 - (d) human resource managers only
 - (e) Both human resource and project managers
- (7) Why Sarah did not want to inform the possible schedule or project delay to the client as early as possible?
- (a) There was a slim chance of success that the original project schedule would be implemented.
 - (b) The client might misunderstand the Sarah's company.
 - (c) There was always a chance that the assigned resources couldn't get the job done ahead of schedule.
 - (d) There was a higher chance that the original schedule in the proposal would be achieved.
 - (e) All of the above reasons
- (8) In this case study the 'worse case scenario' means:
- (a) The best resources were in demand elsewhere and it was obvious that they would not be available for the Sarah's project.

- (b) The actual project completion date would be no longer than what was in the proposal.
 - (c) The actual project completion duration would be longer than what was in the proposal
 - (d) The actual project completion duration would be longer than what was in the prepared new schedule.
 - (e) The contract would not allow any outsourcing of the work to a third party and having high risk.
- (9) According to this case study, what aspect(s) made Sarah uneasy about this project?
- (a) The project started later than most.
 - (b) The timeline became unsure.
 - (c) Resources might now be unavailable for the project
 - (d) Cost overruns had to be a bare minimum
 - (e) All of the above aspects
- (10) If Sarah really want to solve all the problems related with her project, what was the **most appropriate approach**, she must apply to bring her project back on track?
- (a) Reduce the scope
 - (b) Modify project deadlines
 - (c) Prepare the new schedule
 - (d) Talk or communicate openly with client
 - (e) All of the above

(10 x 2 = 20 Marks)

- Q2. (A) Project management processes, organize and describe the work of the project. It consists of five (5) project management process groups. Name the five (5) project management process groups.
- (B) Indicate four (4) most important project management knowledge areas.
- (C) According to *the Guide of PMBOK*, projects come about as a result of one of seven needs or demands. List out any four (4) of them.
- (D) What is a project statement of work (SOW)?

- (E) Indicate four (4) key inputs to create work breakdown structure (WBS).
- (F) Identify four (4) main risk categories in connection with a project.
- (G) There are several new tools and techniques in the *Activity Duration Estimating* process. List out four (4) new tools and techniques which can be used to estimate activity duration in a project.
- (H) What is Quality Control? and why it should be practiced and performed throughout the project?
- (I) What is Configuration Management and indicate its three (3) key aspects?
- (J) What are the four (4) formal types of project endings?

(10 x 2 = 20 Marks)

- (a) What are the new trends in Project Management ? Specify at least four.
(02 Marks)
- (b) What is the main difference between 'Project Charter' and 'Project Proposal'? and List out the key elements (components) of a sound 'Project Proposal'.
(06 Marks)
- (c) List out three (3) ongoing Government Projects in Sri Lanka and briefly explain the key project management issues related with those projects.
(05 Marks)
- (d) Performance measurement analysis is accomplished using a technique called earned value technique (EVT). You have given following information regarding a project. The particular project have to be completed in 12 months and the total cost (Budgeted cost) of the project is 100,000 USD. Six months have passed and 60,000 USD has been spent, but on closer review, you find that only 40% of the work has been completed so far.

You are required to calculate the following and give brief interpretation for your calculated CPI and SPI:

- (i) Earned Value (EV)
- (ii) Cost Variance (CV)
- (iii) Schedule Variance (SV)
- (iv) Cost Performance Index (CPI)
- (v) Schedule Performance Index (SPI)

(07 Marks)

(Total 20 Marks)

Q4. (a) What is the difference between Scope Verification and Perform Quality Control?

(03 Marks)

(b) Briefly describe five (5) different tactics for managing a project risk.

(05 Marks)

(c) Discuss some key issues in a project performance and in its measures.

(06 Marks)

(d) A project is implemented without any time delays, and extra cost based on its project plan. Can you consider that project as a successful project? Give reasons for your views.

(06 Marks)

(Total 20 Marks)

Q5. Select the most appropriate/suitable answer (only one) for the following Questions.

(1). The *communications management plan* is a document which includes description of

- (A) Stakeholder communication requirements
- (B) Activity level status reports
- (C) Project level performance reports
- (D) Responsibility assignments
- (E) All the above

- 2). As the project manager, you decided to arrange a team meeting to identify and analyze lessons learned from quality control with stakeholders. What should you do with them?
- (A) Document them and make them part of the historical database for the project and the performing organization.
 - (B) Discuss them with management and make sure that they remain otherwise confidential.
 - (C) Publish them in the corporate newsletter.
 - (D) Follow your strategic decisions, independent from lessons learned.
 - (E) Publish them in the corporate intranet and newsletter.
- 3). You recently took over the assignment for a project. The project charter has been developed. What is an appropriate next step for you?
- (A) Develop the risk register.
 - (B) Develop the project milestone schedule.
 - (C) Implement the project.
 - (D) Get approval for the project management plan.
 - (E) Develop management plans.
- 4). The main purpose of the Project Management Plan is to:
- (A) provide justification for undertaking the project in terms of evaluating the benefit, cost and risk of alternative options.
 - (B) ensure the project sponsor has tight control of the project manager's activity.
 - (C) document the outcomes of the planning process and provide the reference document for managing the project.
 - (D) document the outcome of the risk, change and configuration management processes.
 - (E) ensure the project beneficiary has firm control of the project manager's activity.

- (5). Which one of the following illustrates why effective project management is beneficial to an organisation?
- (A) It utilizes resources as and when required under direction of a project manager.
 - (B) It advocates employing a consultancy firm which specializes in managing change.
 - (C) It recommends using only highly skilled people in the project team.
 - (D) It ensures that the chief executive is accountable for the achievement of the defined benefits.
 - (E) It ensures that the project manager is responsible for the success of a project.
- (6). A portfolio can best be defined as:
- (A) a group of projects and programmes carried out within an organisation.
 - (B) a group of programmes carried out under the sponsorship of an organisation.
 - (C) a group of projects carried out under the sponsorship of an organisation.
 - (D) a range of products and services offered by an organisation.
 - (E) a range of products and services mix offered by an industry.
- (7). Which one of the following statements best describes a project?
- (A) A project is a set of tools and techniques often used when delivering organisational change.
 - (B) A project is the sum of activities needed to remove uncertainty from a unique piece of work.
 - (C) A unique transient endeavour undertaken to achieve a desired outcome.
 - (D) A project is a method of planning work.
 - (E) All the above.

- 8). The Logical Framework Approach
- (A) is, in reality, a Result Based Management system.
 - (B) is the same as a Results Matrix.
 - (C) includes the internal (result chain) and external (conditions precedent and assumptions/risks) causal logic of a project.
 - (D) is a systematic and participatory approach for project design and planning.
 - (E) All of the above.
- 9). Which of the following is a correct and complete definition of project risk, according to the PMBOK Guide?
- (A) The exposure of outcomes to the consequences of variation in risk
 - (B) The exposure of projects to the consequences of variation in stakeholders
 - (C) The exposure of stakeholders to the consequences of variation in outcomes
 - (D) The exposure of risks to the consequences of variation in projects
 - (E) The failure of a project
- 10). Which one of the following statements is true?
- (A) Independent reviews and quality audits form part of quality assurance to ensure the project manager delivers on time and to budget.
 - (B) Quality assurance provides confidence to stakeholders that requirements for quality will be exceeded.
 - (C) Quality control verifies that the project deliverables conform to specification, are fit for purpose and meet stakeholder expectations.
 - (D) Quality planning enables the project manager to manage the trade-off between customer expectations and budget.
 - (E) Quality plan provides confidence to stakeholders that requirements for quantity will be exceeded.
- 11). A communication management plan identifies the relevant information that should be communicated to:
- (A) the project team and CEO.

- (B) the project stakeholders.
 - (C) the project board.
 - (D) the project sponsor.
 - (E) the project shareholders.
- (12). Which of the following statement is incorrect regarding Feasibility Studies?
- (A) It is undertaken to determine if the project is a viable project.
 - (B) It is undertaken to determine the probability of the project succeeding.
 - (C) It cannot examine the viability of the product of the project.
 - (D) It can examine the viability of the product of the project.
 - (E) It may be conducted as separate projects, as subprojects, or as the first life cycle phase of the project.
- (13). Once a project is defined the LogFRAME should
- (A) not be altered
 - (B) be refined during implementation as a result of team learning
 - (C) be discarded and implementation plans used in its place
 - (D) published immediately as a good example of practice
 - (E) implement the project, based on defined LogFRAME without considering any changes
- (14). The Logical Framework Approach is most valuable
- (A) When used for project design, exclusively
 - (B) When used for Monitoring and Evaluation, exclusively
 - (C) When the basis for implementation of work planning
 - (D) When used throughout the project cycle to integrate learning and improvement
 - (E) When influencing donor support

- (15). To be most effective, the Project LogFRAME should be
- (A) Prepared by expert consultants
 - (B) Prepared by Project Management team and stakeholders
 - (C) Prepared by clients
 - (D) Prepared by the Project Management team
 - (E) Prepared by the project managers
- (16). Out of the following statements which statement is not appropriate regarding Project Management Software?
- (A) Project management software automates the mathematical calculations and performs resource-leveling functions for you.
 - (B) There are various project management software programs available to project managers.
 - (C) The level of sophistication and the types of project management techniques that you are involved with will determine which software product you should choose.
 - (D) Many project managers have had great success with Microsoft Project software and use it exclusively.
 - (E) Project management software is a wonderful tool, so it is a substitute for sound project management practices or experience.
- (17). What is Participatory Rural Appraisal (PRA)?
- (A) PRA is a set of participatory and largely visual techniques for assessing group and community resources, identifying and prioritizing problems and appraising strategies for solving them.
 - (B) PRA is a set of participatory and largely non-visual techniques for assessing group and community resources, identifying and prioritizing problems and appraising strategies for solving them.
 - (C) PRA has only limited tools which are used to gather and analyse information.
 - (D) PRA is a set of participatory and largely non-visual techniques for assessing group and community resources, identifying and prioritizing problems and but not appraising strategies for solving them.

- (E) PRA is a set of participatory and largely visual techniques for assessing individual and personal resources, identifying and prioritizing problems and appraising strategies for solving them.
- (18). A stakeholder is.....?
- (A) Anyone who is involved in the project
 - (B) Anyone positively or negatively impacted by the project
 - (C) Anyone who can influence the direction of the project
 - (D) Anyone who can impact/be impacted positively or negatively by the project
 - (E) Anyone who can support the project
- (19). There are two tools and techniques to create *Work Breakdown Structure*. They are:
- (A) Work breakdown identifiers and work packages.
 - (B) Work breakdown identifiers and decompositions.
 - (C) Work breakdown structure templates and decomposition.
 - (D) Work breakdown structure templates and work packages.
 - (E) Work breakdown identifiers and work breakdown structure templates
- (20). Obtaining formal project plan approval and sign-off is important for all of the following reasons except for which one?
- (A) Stakeholders are able to recommend a project planning methodology to follow throughout the remaining progress groups.
 - (B) Stakeholders are aware of the project details, which makes them more likely to participate in future project decisions.
 - (C) Stakeholders will be more likely to cooperate.
 - (D) Stakeholders are aware of the specific details regarding project schedules, budgets and risk.
 - (E) Stakeholders will be more likely to participate.

(20 x 1 = 20 Marks)