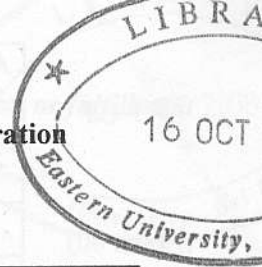


EASTERN UNIVERSITY, SRILANKA
Faculty of Commerce and Management
Final Year/First Semester Examination in Bachelor of Business Administration
(2006/2007) Proper/Repeat
MGT 4033 – Project Management



Answer all questions

- Q1 a) Define the term “Project” & briefly explain how projects could help for economic development of a country. (06 marks)
- b) Briefly explain the different approaches of project identification. (08 marks)
- c) A company plans for an industrial project. Assuming that you are a project manager of a company, what are the main aspects you may look into the appraisal of the project. (06 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”.*
In view of the above statements explain the factors that should be used to judge any type of technique that is used to evaluate projects. (08 marks)
- b) Briefly explain the main purposes of project evaluation. (06 marks)
- c) *“Documentation of project ideas are very important in project management”*
Do you agree with this statement? 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	-	-	-

- a) Draw the network diagram and identify the critical path. (04 marks)
- b) Calculate the minimum duration and associated cost. (08 marks)
- c) a) Estimate the minimum cost and associated duration. (08 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	-	600,000
Expected sales revenue per annum	-	30,000,000
Variable cost	-	13,200,000
Break even point (BEP)	-	250,000

- 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. (04 marks)
- b) ***“Location of the project is a very important factor in the project appraisal”.***
Explain two phases in the study for plant location. (09 marks)

(Total 20 marks)

Q5 a) *"A project lives between the initiation of a mission and the completion or fulfillment of that mission and therefore this span is known as project life cycle".*

Identify the two types of project cycle and explain one of them fully.

(08 marks)

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

(06 marks)

c) *The term "feasibility" is often used when assessing the viability of projects.*

Explain the term feasibility and discuss the aspects of feasibility that are typically considered in the project selection.

(06 marks)

(Total 20 marks)