

Enrollment No.....



Faculty of Commerce/Management

End Sem (Odd) Examination Dec-2018

CM3EG05 /MS3EG06 Project Management

Programme: B.Com.(Hons)/ Branch/Specialisation: Commerce/
BBA Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Chances for successful completion of a multidisciplinary project are 1
(a) Very low (b) Below expected
(c) High (d) Above Expected
- ii. The project life cycle consists of 1
(a) Understanding the scope of the project
(b) Objectives of the project
(c) Formulation and planning various activities
(d) All of these
- iii. Which of the following is not a forecasting technique? 1
(a) Judgemental (b) Time series
(c) Time horizon (d) Associative
- iv. Delphi method is used for 1
(a) Judgemental forecast (b) Time series forecast
(c) Associative model (d) All of these
- v. Which of the following has the highest cost of capital? 1
(a) Equity shares (b) Loans
(c) Bonds (d) Preference shares
- vi. Which of the following is not a spontaneous source of short-term fund? 1
(a) Trade credit (b) Accrued expenses
(c) Provision for dividend (d) All of these
- vii. Under Net present value criterion, a project is approved if 1
(a) Its net present value is positive
(b) The funds are unlimited
(c) Both (a) and (b)
(d) None of these

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- viii. In a CPM/PERT network a dummy activity is necessary when **1**
 (a) Two activities have the same starting node
 (b) Two activities have the same ending node
 (c) A node does not actually connect to another node
 (d) when two activities share the same starting and ending node
- ix. The objective of project crashing is to **1**
 (a) Reduce the project duration
 (b) Minimize the cost of crashing
 (c) Reduce indirect costs such as interest on investments
 (d) More than one statement above is true
- x. Following is (are) the component(s) of risk management **1**
 (a) Risk Assessment (b) Risk Control
 (c) Risk Ranking (d) All of these
- Q.2 i. What do you mean by a project? Explain with example. **2**
 ii. What are the different characteristics of a project? **3**
 iii. Discuss the classification of projects. **5**
- OR iv. Explain Project Life Cycle in detail. **5**
- Q.3 i. Distinguish between primary source of data and secondary source of data. **2**
 ii. Explain the various factors you would consider in technical analysis of a project. **8**
- OR iii. Determine the forecast for 2021 and 2024 using least square method for the data given below: **8**
- | Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------|------|------|------|------|------|------|------|
| Demand (In '000 units) | 32 | 43 | 47 | 51 | 58 | 63 | 69 |
- Q.4 i. Explain any three short term sources of finance. **3**
 ii. Elaborate advantages and disadvantages of equity shares as long term sources of finance. **7**
- OR iii. Distinguish between debentures and preference shares as long term sources of finance. **7**
- Q.5 i. Explain social cost benefit analysis. **4**
 ii. The following is known for a project: **6**

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Activity	1-2	1-3	2-3	2-4	3-4	4-5
Duration	20	25	10	12	6	10

- Calculate the following:
 (a) Network Diagram of the project
 (b) Free, Total and Independent Floats for each activity.
- OR iii. There are two projects X and Y. Each involves an investment of Rs. 400000. The expected cash inflows and the certainty coefficients are as under: **6**

Year	Cash Inflows (X)	Certainty Coefficient (X)	Cash Inflow (Y)	Certainty Coefficient (Y)
1	250000	.8	200000	.9
2	200000	.7	300000	.8
3	200000	.9	200000	.7

- Risk-free cut off rate is 10%. Suggest which of the two projects should be preferred.

- Q.6 Attempt any two: **5**
 i. Write short note on Risk Identification. **5**
 ii. Explain performance analysis of Project **5**
 iii. From the following information: **5**

Activity	Normal time	Normal Cost	Crash time	Crash Cost
1-2	3	3000	2	4000
2-3	3	300	3	300
2-4	7	4200	5	5800
2-5	9	7200	7	8100
3-5	5	2500	4	3000
4-5	0	0	0	0
5-6	6	3200	4	4100
6-7	4	4000	3	4700
6-8	13	7800	10	9000
7-8	10	10000	9	12000

- Indirect cost rs. 500 per week. Determine the following:
 (a) Network diagram and critical path
 (b) Crash the relevant activities systematically and determine the optimum duration and corresponding cost.

Marking Scheme

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Q.1	i. Chances for successful completion of a multidisciplinary project are (c) High	1	
	ii. The project life cycle consists of (d) All of these	1	
	iii. Which of the following is not a forecasting technique? (c) Time horizon	1	
	iv. Delphi method is used for (a) Judgemental forecast	1	
	v. Which of the following has the highest cost of capital? (a) Equity shares	1	
	vi. Which of the following is not a spontaneous source of short-term fund? (c) Provision for dividend	1	
	vii. Under Net present value criterion, a project is approved if (c) Both (a) and (b)	1	
	viii. In a CPM/PERT network a dummy activity is necessary when (d) When two activities share the same starting and ending node	1	
	ix. The objective of project crashing is to (d) More than one statement above is true	1	
	x. Following is (are) the component(s) of risk management (d) All of these	1	
Q.2	i. Meaning of project Example.	1.5 marks 0.5 mark	2
	ii. Any three characteristics of a project 1 mark for each	(1 mark *3)	3
	iii. Classification of projects. 1 mark for each	(1 mark * 5)	5
OR	iv. Project Life Cycle Four stages 1 mark for each stage (1 mark *4) Diagram	4 marks 1 mark	5
Q.3	i. Difference b/w primary source of data and secondary source of data 1 mark for each point	(1 mark * 2)	2
	ii. Factors you would consider in technical analysis of a project 1 mark for each point	(1 mark * 8)	8
OR	iii. Correct Solution for 2021 Correct solution for 2024	4 marks 4 marks	8
Q.4	i. Any three short term sources of finance. 1 mark for each	(1 mark *3)	3
	ii. Advantages and disadvantages of equity shares as long term sources of finance 1 mark for each points	(1 mark *7)	7
OR	iii. Difference b/w debentures and preference shares as long term sources of finance. 1 mark for each points	(1 mark *7)	7
Q.5	i. Social cost benefit analysis. As per explanation		4
	ii. (a) Network Diagram of the project Correct solution	2 marks	6
	(b) Free, Total and Independent Floats for each activity. Correct solution	4 marks	
OR	iii. Projects X Correct Solution Projects Y Correct Solution	3 marks 3 marks	6
Q.6	Attempt any two:		
	i. Risk Identification. As per explanation		5
	ii. Performance analysis of Project As per Explanation		5
	iii. Correct solution of each 2.5 marks (a) Network diagram and critical path (b) Crash the relevant activities systematically and determine the optimum duration and corresponding cost.	(2.5 marks * 2)	5
