



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR
FOURTH YEAR *FIRST* SEMESTER**

SCHOOL OF BUSINESS AND ECONOMICS

COURSE CODE: BPM 4182-1

COURSE TITLE: PROJECT MANAGEMENT

DATE:

TIME:

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION *ONE* AND ANY OTHER *THREE* QUESTIONS

This paper consist of three printed pages

QUESTION ONE (20 MARKS)-COMPULSORY

Five months ago, the board of directors of Geebold Manufacturing approved the building of a new facility to manufacture a new line of clothing. The company has already selected the project manager and the project team. Ann, the project manager, has spent the past five months planning the project. She carefully defined the project in terms of cost, time, and scope, and obtained the approval of the board of directors on the statement of work. Working diligently, she created a work breakdown structure to the best of her knowledge. The diagram contains over one hundred boxes in eight levels. Some of the work packages represent two to three hours of work and a few represent 150 hours work. She then estimated each of the activities using an analogous approach, drawing on plans she discovered of a similar facility the company planned three years ago but never completed. Ann then drew a graphical network diagram including each of the work packages from the work breakdown structure. The diagram showed the sequence of activities and their interrelationships. Ann is now ready to select the project team and get the project rolling.

REQUIRED

- (a) Using the above case, highlight the roles and responsibilities of a project manager. **(6 marks)**
- (b) Discuss the critical factors to consider when designing work breakdown structure. **(4 marks)**
- (c) Managing a project team normally comes with its own challenges. Discuss. **(4 marks)**
- (d) From the above case, what did Ann do wrong as the project manager and how can it be corrected? **(6 marks)**

QUESTION TWO (10 MARKS)

The project information for the custom order project of an Etihad Air Company is presented here.

- a) Draw a project network for this project. **(5 marks)**

b) Compute the early and late activity times and the slack times. **(4 marks)**

c) Identify the critical path.(1 mark)

ID	Activity	Predecessor	Time
A	Order review	None	2
B	Order standard parts	A	15
C	Produce standard parts	A	10
D	Design custom parts	A	13
E	Software development	A	18
F	Manufacture custom hardware	C,D	15
G	Assemble	B,F	10
H	Test	E,G	5

QUESTION THREE (10 MARKS)

a) Define project evaluation and discuss the various levels of conducting it in the life of a Project. **(3 marks)**

b) Discuss the importance of monitoring and evaluation. **(3 marks)**

c) Discuss the various constraints that inhibit a project manager from achieving his/her objectives fully. **(4 marks)**

QUESTION FOUR (10 MARKS)

Narok Technical College is putting up a 5-year project. The project is expected to generate the following sales revenue:

Year	1	2	3	4	5
Sales Revenue	750,000	780,000	700,000	900,000	950,000

The project requires an initial cash outlay of one million shillings and annual operating expenses of Sh. 300,000 p.a. the project will have a salvage value of Sh. 200,000 at the end of its economic life. The university applies a straight-line method of depreciation for all new projects. All the income will be subjected to a tax rate of 40%. The cost of capital is 12%. Required:

a) Prepare a schedule to show the cash flows generated by the project. **(6 marks)**

- b) Advise the university with regard to Net Present Value (NPV).
(4 marks)

QUESTION FIVE (10 MARKS)

Using a project of your choice, discuss the phases of a project clearly indicating critical activities carried out in each phase. **(10 marks)**

.....**END**.....