



# SOUTH EASTERN UNIVERSITY OF SRI LANKA

002

**THIRD YEAR EXAMINATION IN BACHELOR OF BUSINESS ADMINISTRATION /  
(EXTERNAL) – 2008 / 2009  
HELD IN AUGUST – 2009**

**BBA 36 – PROJECT MANAGEMENT**

Answer all Questions

Time : 03 Hours

01. a) You have been asked to write a memo to your senior project manager with respect to project formulation process which include the following three main stages.
- Project identification (01 Mark)
  - Project feasibility studies (01 Mark)
  - Prepare a checklist for feasibility studies (06 Marks)
  - Project appraisal (01 Mark)
- b) Name a project (01 Mark)
- c) List out attributes of such project (05 Marks)
- d) Outline project appraisal methods (05 Marks)
- (Total 20 Marks)
02. a) Two different project managers have two different points of views with respect to a particular project..

**Statement one: Project manager - cost**

He argues that the project will succeed. He puts forward the following information for supporting his argument.

Description	Amount in Rupees
Initial investment for the project	200,000
Period	05 (years)
Discounting rate	10 (Percentage)
Net cash inflow – NCI – (At the end of first year)	100,000

NCI diminishes by 10,000 Rupees each year from year end NCI

**Statement two: Project manager – Environmental Analysis**

He argues that the project will not succeed. He puts forward the following information for supporting his argument.

There are more possibilities for affecting the project by External Environmental Factors. Project can be affected by “PESTEL” factors. This is why NCI diminishes annually.

You have been asked to rationalize these two statements using Total and net Profitability Index, (TPI & NPI), Payback period – and “PESTEL” Framework.

(Notice: Use calculator for discounting factor calculation)

(10 Marks)

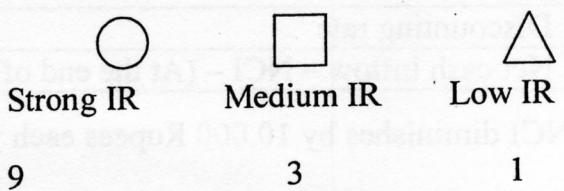
b) Project Quality is an important concept in Project management. Project quality means project customer requirement must be translated into technical requirement so as to satisfy project customers.

You have been asked to:

- Name a project (01 Mark)
  - Indicate all your necessary assumptions (01 Mark)
  - prepare a 3\* 3 House of Quality- HOQ Matrix for you named project (08 Marks)
- (Total 20 Marks)

You are instructed to use the following document for your workings.

1	Direction of Improvement													
2														
3														
4							Measuring Satis. Of competitor's product	Other measures						
5	TR					CIW	OP	CP1	CP2	PSR	IF	SP	OW	%
6														
7														
8														
9		CR												
10														
11														
12														
13														
14	TP													
15	%													
TB	OP													
	CP1													
	CP2													
19	DT					9		3			1			



CIW	OP	CP1	CP2	PSR	IF	SP	OW	%
Customer Importance Weighting	Our Product	Competitor's Product 1	Competitors' Product 2	Planned Satisfaction Rating	Improvement Factor	Sales Point	Overall Weighting	%

TP- Technical Priorities  
 TB- Technical Benchmarking  
 DT – Design Target

03. a) Scenario includes the following events.

Conflicts are found among Top management of the project. Clients have goodwill towards the project. However, project has Resource constraints. Especially, lack of finance is pivotal in one side. Human Resources are specialized in the other side. Project is to be done among various races. Therefore, there is Religious conflict. Anti- activities of the government is also severely found. There is increased number of competitors for the project. It has been projected that there will be economic boom. Project Performing Organization has fully- fledged technology. Region has increased population.

You have been asked to perform a MODIFIABLE “SWOT” for the project. Use the following auxiliary documents and information to prepare the same.

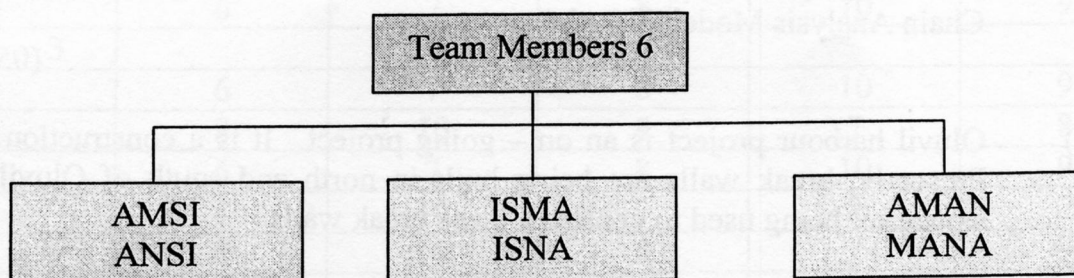
- Pre pare SWOT Work Sheet

Strengths	Weaknesses	Opportunities	Threats

- Driving and Hampering Forces – Work Sheet

Driving / Motivating Forces		Hampering / Hindering Forces	
Strengths	Opportunities	Weaknesses	Threats

- Prioritize Driving and Hampering Forces
- Identify the Key forces
- Voting Process by Team members



- Score according to the importance

Key Factor	Type of importance	Points	Justifications / Reasons	Remarks
	Low	10		
	Medium	20		
	High	30		
Points must be between 10 to 30				

- Sum each of the member's score points. It creates the value of MI
- Identify the chance of occurrences

Key Factor	Chance of occurrences	Points	Justifications/ Reasons	Remarks
	Low	0.1		
	Medium	0.5		
	High	0.9		
Points must be between 0.1 to 1.0				

- Multiply value of MI with only a single chance of occurrence's value
- Divide M2 by MI ( $M2 / M1$ )
- Decision Rule

Value	Final Value	Critical success factors	Process
$M2 / M1$	$> 0.7$	The most critical success factors have been identified	Okey
$M2 / M1$	Between 0.3 to 0.7	More critical success factors have been identified	Okey
$M2 / M1$	$< 0.3$	Critical factors have not been identified	Repeat the process above

(07 Marks)

- b) Organizational project Assets (organizational learning and growth) from previous projects have the links with Balanced Score Card (BSC) and Value Chain Analysis Model (VCAM)

(05 Marks)

- c) Oluvil harbour project is an on – going project. It is a construction project. Presently, break walls are being built in north and south of Oluvil. Back stones are being used to construct these break walls.

Chief construction engineer has instructed other construction engineers that black stones must be to the standard.

The following report and its supportive document have been submitted by chief construction engineer to Junior Project construction engineer.

## REPORT

**To :** Junior Project construction engineer

**From :** Chief construction engineer

**Date :** 01<sup>st</sup> June, 2009

**Subject :** Construction Process Control

**Introduction :** Sample black stones with respect to construction process are collected weekly. There are five weeks. Working days are five and set of samples are also five.

**Content :** See supportive document

**Conclusion :** Report me whether black stones of the construction project falls under standards or not.

### SUPPORTIVE DOCUMENT

The under noted data (week 1 to 4) are needed for the construction processes. Standards must be maintained to prevent deviation. Weight of the black stones needed for the project is given in thousand Kilogrammes.

Week	Samples				
1					
	6	7	8	10	9
	8	10	9	9	10
	8	10	9	7	8
	6	7	8	10	9
	8	10	9	7	8
2					
	6	7	8	10	9
	8	10	9	6	7
	8	10	9	8	10
	8	10	9	5	7
	6	7	8	10	9
3					
	6	7	8	10	9
	8	10	9	7	8
	6	7	8	10	9
	8	10	9	8	7
	8	10	8	7	9
4					
	6	7	8	10	9
	8	10	9	7	8
	6	7	8	10	9
	8	10	9	5	7
	6	7	8	10	9

5					
	6	7	8	10	9
	8	10	9	8	10
	8	10	9	7	8
	8	10	9	6	7
	8	10	9	8	10

Data from week 1 to week 4 are historical data and data from week 5 are decision making data.

Junior project construction engineer analyzed these reports. He approaches you (Assume you are a Project Process Quality Engineer) due to his workload. He asks you to submit a report. Your report must embrace the following.

Low Control Level (06 Marks)

Control Chart before decision making (02 Marks)

(Total 20 Marks)

04. a) The following is of a project

Activity	Predecessor	Normal days
A	.....	9
B	.....	3
C	A	8
D	A	2
E	A	3
F	C	2
G	C	6
H	C	1
J	B, D	4
K	F, J	4
L	E, H, G, K	2
M	E, H	3
N	L, M	4

Calculate the days to complete this project. (05 Marks)

b) Write a brief note on the following terminologies with respect to the project

- Responsibility Assignment Matrix – RAM
- Quality and Gold plating
- Project procurement planning – PPP
- Code of professional ethics

(08 Marks)

c) The following is a risk impact matrix of a project in a BAWA company. Company's environmental scanning manger- AWAB – gives the following tableau information.

Risk factor		Probability %		Impact %	
A	90	10	20	40	80
S	70	-do-	-do-	-do-	-do-
D	50	-do-	-do-	-do-	-do-
F	30	-do-	-do-	-do-	-do-

You have been asked to perform the following using the above table

Prepare a risk impact matrix (03 Marks)

Identify different classes of risk (01 Marks)

Response mechanisms to them (03 Marks)

(Total 20 Marks)

05. a) Conflicts in teams are highlighted in contemporary project management.

- Causes for conflicts in teams
- Approaches to mitigate them

Rationalize your answer indicating a model project for your explanation (05 Marks)

b) Differentiate Project life cycle and product life cycle (05 Marks)

c) Project has interface with systems theory. Argue positively (05 Marks)

d) Assume that you are a recently appointed junior project cost manager. Your senior project cost manager has asked you to write a memo which entails the following terminologies.

PV	EV	AC	EAC	CPI	BAC	ETC	CV	SV	SPI
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(05 Marks)

(Total 20 Marks)

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