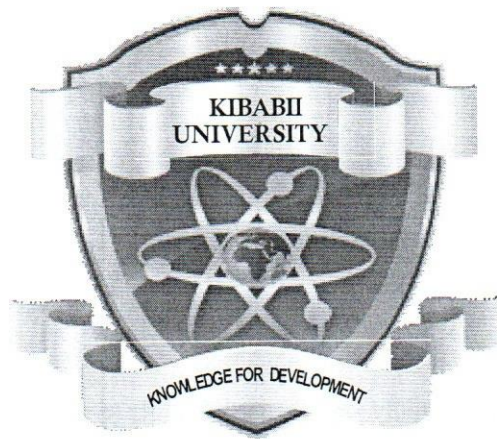


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS SPECIAL/SUPPLEMENTARY EXAMINATIONS

2017/2018 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCO 343

COURSE TITLE: PROJECT MANAGEMENT

DATE: 04/10/18

TIME: 11.30AM – 1.30PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

Question One

(a) A car manufacturer has decided to make a significant investment into expanding its presence in Africa by setting up a large assembly facility in Kenya. It has estimated its initial set up costs to be in the region of Kenya Shillings 6,398M.

Forecast net income from the project is detailed below:

Year 1 Kenya Shilling 1,400M

Year 2 Kenya Shilling 1,450M

Year 3 Kenya Shilling 1,550M

Year 4 Kenya Shilling 1,625M

Year 5 Kenya Shilling 1,480M.

(i) Calculate the projected payback time for the project to the nearest month. (3 marks)

(ii) Calculate the Net Present Value of the project using a discount factor of 5% and comment on the attractiveness of the project.

Discount factors at 5% are; Year 1 = 0.952, Year 2 = 0.907, Year 3 = 0.864, Year 4 = 0.823, Year 5 = 0.784 (7 marks)

b) List four characteristics of projects and describe how each is different from business-as-usual activities. (8 marks)

c) Discuss the tools and techniques that project managers can use to ensure knowledge and lessons learned from previous projects are not lost, and can be shared for the benefit of future projects. (6 marks)

d) Discuss some of the major problems that frequent occur in implementing a project? (6 Marks)

Question Two

i) For a project that is already underway in your organization, identify the key areas requiring monitoring and suggest the kind of information and processes that would be involved. (9 marks)

ii) In addition to the project management, further authorities perform various tasks, assignments and responsibilities in the context of the project. A distinction is made between the following levels of authority:

a) steering

b) management

c) implementation

Draw an organizational chart based on three sub-projects and assign the three above authorities to your chart. Specify functions only (no names). The chart should have three levels. The different functions (roles) should be assigned to each of the levels. (5 marks)

iii) Explain five critical roles of the project managers. (6 Marks)

Question Three

i) The project management plan (PMP) consists of both strategic (policies and frameworks) and tactical (processes and plans) elements. List and describe four processes/plans which are included within the PMP. (12 marks)

ii) Define project management and explain various characteristics of sustainable project citing relevant examples. (8 marks)

Question Four

i) Explain the following approaches to resource scheduling:

- Resource smoothing
- Resource levelling

(10 marks)

ii) Discuss the techniques to use as a project manager to improve the accuracy and reliability of project schedule. (10 marks)