

14. A project consists of a activities whose precedence relationships and their estimates are shown below :

(a) Draw a network.

(b) Find the critical path, expected duration and variance of each activity.

(c) What is the probability of completing the project as or before 35 months?

Activity :	1-2	1-6	2-3	2-4	3-5
Optimistic (t_0) :	3	2	6	2	5
Most likely (t_m) :	6	5	12	5	11
Pessimistic (t_p) :	15	14	30	8	17
Activity :	4-5	6-7	5-8	7-8	
Optimistic (t_0) :	3	3	1	4	
Most likely (t_m) :	6	9	4	19	
Pessimistic (t_p) :	15	27	25	22	

15. Describe the various phases of project Audit.

16. Discuss the essential qualities of a project manager.

SECTION C — (1 × 20 = 20 marks)

(Compulsory)

17. Draft a project proposal of selection and evaluation of Four Way Track Road in India.

MBFM 3004

M.B.A. DEGREE EXAMINATION,
DECEMBER 2014/JANUARY 2015.

Third Semester

Finance

PROJECT MANAGEMENT

(2012-2013 Batch onwards)

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. What are the objectives of Project Management?
2. Explain the steps to be followed during project delay.
3. What are the reasons to do feasibility study of a project?
4. State the methodology followed project evaluation.

5. Consider the following cash flow series over 20 years period of a project. The salvage of the project at the end of its life is negligible. Assuming the interest rate as 18%, compounded annually, check the feasibility of the project using present worth method. (Present worth of 18% for 20 years of 5.3527)

End of year	0	1	2	3	20
Cash flows (Rs.)	50,00,000	10,00,000	10,00,000	10,00,000	10,00,000

6. Write down the guidelines for construction of project network.
7. Consider the details of a project which has 10 activities.
- (a) Draw a network of the project.
- (b) Find the critical path and project duration of the critical path.

Activity :	A	B	C	D	E	F
Pre-decessor :	-	-	-	-	B	E
Duration (maths) :	6	10	11	9	5	8
Activity :	G	H	I	J		
Pre-decessor :	C	A, F	E	D, G		
Duration (maths) :	2	8	7	4		

8. Enumerate the pitfalls of ineffective project team.

SECTION B — (5 × 10 = 50 marks)
Answer any FIVE questions.

9. Explain the basic characteristics of a good project.
10. Describe the reasons for delaying a project.
11. List and explain the various types of feasibility.
12. Discuss the Project Management Life Cycle (PMLC).

13. Mr. Gopal Rao, the Finance Manager of BHSL Company at Trichy has to advise the Board of Directors on choosing between the two competing investment proposals which need equal investment of Rs.1,00,000/- and expected to general cash flows as under :

	Project		P.V. Factor @ 10%
	I	II	
	Rs.	Rs.	
End of 1 st year	48,000	20,000	0.909
2 nd year	32,000	24,000	0.826
3 rd year	20,000	36,000	0.751
4 th year	Nil	48,000	0.683
5 th year	24,000	16,000	0.621
6 th year	12,000	8,000	0.564

Which of the proposal you recommend and why?