

**MBFM 3004**

M.B.A. DEGREE EXAMINATION, JUNE 2014.

Third Semester

Finance

**PROJECT MANAGEMENT**

Time : Three hours

Maximum : 100 marks

**PART A — (5 × 6 = 30 marks)**

Answer any FIVE questions out of Eight.

1. Discuss the importance of project management.
2. Write a note on project constraints.
3. Write on components of feasibility study.
4. Discuss NPV and its Advantages.
5. Differentiate PERT and CRM.
6. Write a note on project audit process.
7. What are project team pitfalls?
8. What do you mean by social network building?

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight.

9. Elaborate the processes of project execution phase.
  10. Discuss the various steps of feasibility study.
  11. Discuss the External and Internal Delays.
  12. Calculate NPV, Pay back period and ARR.  
A firm identified two variable mutually exclusive projects. The life of each of the projects is estimated to be 5 years. The salvage of each of the projects at its life end is negligible. The minimum attractive rate of return is 12%. Find the best project based on the rate of return method using computer program.
- | Project                  | A1       | A2       |
|--------------------------|----------|----------|
| Initial investment (Rs.) | 2,00,000 | 2,80,000 |
| Annual Revenue (Rs.)     | 75,000   | 90,000   |
| Salvage value            | 20,000   | 25,000   |
13. Explain the methodology for project evaluation in detail.
  14. Explain the steps in project appraisal process.
  15. Describe the qualities of an effective project manager.
  16. Discuss the five stage team development model.

PART C — (1 × 20 = 20 marks)

Case study (Compulsory).

17. A project consists of 9 activity whose precedence relationship and their estimates are shown in the following table.
  - (a) Find the expected duration and variance of each activity.
  - (b) Draw the project network.
  - (c) Find the critical path and corresponding project completion time.

What is the probability of completing the project on or before 35 months?

Activity	Time estimates (in months)		
	Optimistic	Most likely	Pessimistic
1-2	3	6	15
1-6	2	5	14
2-3	6	12	30
2-4	2	5	8
3-5	5	11	17
4-5	3	6	15
6-7	3	9	27
5-8	1	4	25
7-8	4	19	22