

UPES
End Semester Examination, May 2023

Course: Project Management
Program: BBA- LLB -H- CL/CNTL/
Course Code: LSCM 3001

Semester: VI
Time : 03 hrs.
Max. Marks: 100

Instructions:

SECTION A
(5Qx2M=10Marks)

		Marks	CO
Q 1	Attempt all the questions.		
1	A _____ is the sequence of dependent tasks that form the longest duration, allowing you to determine the most efficient timeline possible to complete a project A. Crucial Path B. Critical Path C. Complicated Path D. None of the above	2	CO1
2	Which one of the following is not a characteristic of a project? A. Unique in nature. B. Have definite objectives (goals) to achieve. C. The least amount of risk factor involved D. Have a specific time frame for completion with a definite start and finish.	2	CO2
3	Which of the following would be considered a direct project cost? A. Labor B. Materials C. Equipment D. A, B, and C are all considered direct costs	2	CO2
4	Unessential dummy activities in a network diagram creates an error of A. Looping B. Redundancy C. Dangling D. None of the above	2	CO1
5	Which is the first stage in the project management model?	2	CO1

	A. Understanding the project environment B. Project definition C. Project control D. Project planning																								
SECTION B (4Qx5M= 20 Marks)																									
Q	Attempt all the questions.		CO																						
1	What benefit does work breakdown structure provides while carrying out a project? Provide suitable example.	5	CO2																						
2	What are the challenges a project manager faces while implementing the planning into execution?	5	CO2																						
3	How project controlling helps in efficient and on-time completion of projects?	5	CO1																						
4	Explain the non-quantitative methods of project evaluation?	5	CO1																						
SECTION-C (2Qx10M=20 Marks)																									
Q	Attempt all the questions.		CO																						
1	Karlaz ltd is considering to take up two projects both with initial investment of 100,000. The expected cash flows form project A for the first six years are 10k,12k, 20k, 42k, 55k, 40k. Whereas the expected cash flows form project B for the first six years are 15k, 27.5k, 40k, 45k, 50k. If the cash flows are discounted at the rate of 12%, determine which project Karlaz Ltd should go for? OR Discuss and explain the salient features of the following methods for ascertaining the profitability of capital expenditure projects: (a) Pay-Back Period Method (b) Return on Investment Method	10	CO2																						
2	Draw AOA and AON diagram form the following activities <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Activity</th> <th>Predecessor activity</th> </tr> </thead> <tbody> <tr><td>A</td><td>-</td></tr> <tr><td>B</td><td>A</td></tr> <tr><td>C</td><td>B</td></tr> <tr><td>D</td><td>A</td></tr> <tr><td>E</td><td>C</td></tr> <tr><td>F</td><td>C</td></tr> <tr><td>G</td><td>D,E</td></tr> <tr><td>H</td><td>F</td></tr> <tr><td>I</td><td>G</td></tr> <tr><td>J</td><td>H,I</td></tr> </tbody> </table>	Activity	Predecessor activity	A	-	B	A	C	B	D	A	E	C	F	C	G	D,E	H	F	I	G	J	H,I	10	CO2
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	OR		
	What is meant by cost of capital? Explain how it is calculated		

SECTION-D
(2Qx25M=50 Marks)

			CO
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Q	Attempt all the questions		
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1	<p>Explain the reasons which results in termination of a project and what role stakeholders play in the decision to terminate a project. Kindly support your answer with relevant example.</p> <p style="text-align: center;">OR</p> <p>Return Rank the following investment proposals in order of their profitability according to: (a) Pay-Back Method, (b) Unadjusted Rate of Method and (c) Present Value Index Method. The cost of capital is 10%.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Project No.</th> <th style="text-align: center;">Initial Outlay</th> <th style="text-align: center;">Annual Cash Flow</th> <th style="text-align: center;">Life in years</th> <th style="text-align: center;">P.V. @ 10%</th> </tr> <tr> <td></td> <td style="text-align: center;">Rs.</td> <td style="text-align: center;">Rs.</td> <td></td> <td></td> </tr> </thead> <tbody> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">60,000</td> <td style="text-align: center;">8,000</td> <td style="text-align: center;">15</td> <td style="text-align: center;">7.606</td> </tr> <tr> <td style="text-align: center;">B</td> <td style="text-align: center;">25,000</td> <td style="text-align: center;">3,000</td> <td style="text-align: center;">10</td> <td style="text-align: center;">6.145</td> </tr> <tr> <td style="text-align: center;">C</td> <td style="text-align: center;">3,000</td> <td style="text-align: center;">1,000</td> <td style="text-align: center;">5</td> <td style="text-align: center;">3.791</td> </tr> <tr> <td style="text-align: center;">D</td> <td style="text-align: center;">2,150</td> <td style="text-align: center;">1,000</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2.487</td> </tr> <tr> <td style="text-align: center;">E</td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">4,000</td> <td style="text-align: center;">10</td> <td style="text-align: center;">6.145</td> </tr> <tr> <td style="text-align: center;">F</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">8,000</td> <td style="text-align: center;">8</td> <td style="text-align: center;">5.335</td> </tr> </tbody> </table>	Project No.	Initial Outlay	Annual Cash Flow	Life in years	P.V. @ 10%		Rs.	Rs.			A	60,000	8,000	15	7.606	B	25,000	3,000	10	6.145	C	3,000	1,000	5	3.791	D	2,150	1,000	3	2.487	E	20,000	4,000	10	6.145	F	40,000	8,000	8	5.335	25	CO2
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2	<p>Albert Keith project manager of Large Eastern company has provided you with the description of activities to be performed to complete a project. Keith wants you to create a network diagram, compute the expected time and identify the critical path with maximum and minimum time required to complete the project.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Activity</th> <th style="text-align: center;">Predecessor activity</th> <th style="text-align: center;">Optimistic Time</th> <th style="text-align: center;">Most likely Time</th> <th style="text-align: center;">Pessimistic Time</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1</td> <td style="text-align: center;">5</td> <td style="text-align: center;">3</td> </tr> <tr> <td style="text-align: center;">B</td> <td style="text-align: center;">A</td> <td style="text-align: center;">2</td> <td style="text-align: center;">8</td> <td style="text-align: center;">20</td> </tr> <tr> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">8</td> <td style="text-align: center;">12</td> <td style="text-align: center;">16</td> </tr> <tr> <td style="text-align: center;">D</td> <td style="text-align: center;">B</td> <td style="text-align: center;">4</td> <td style="text-align: center;">6</td> <td style="text-align: center;">8</td> </tr> <tr> <td style="text-align: center;">E</td> <td style="text-align: center;">B</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> </tr> <tr> <td style="text-align: center;">F</td> <td style="text-align: center;">C</td> <td style="text-align: center;">6</td> <td style="text-align: center;">8</td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">G</td> <td style="text-align: center;">E,D</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td style="text-align: center;">H</td> <td style="text-align: center;">E,F</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> </tr> <tr> <td style="text-align: center;">I</td> <td style="text-align: center;">H,I</td> <td style="text-align: center;">6</td> <td style="text-align: center;">6</td> <td style="text-align: center;">6</td> </tr> </tbody> </table>	Activity	Predecessor activity	Optimistic Time	Most likely Time	Pessimistic Time	A	-	1	5	3	B	A	2	8	20	C	A	8	12	16	D	B	4	6	8	E	B	1	2	3	F	C	6	8	10	G	E,D	2	3	4	H	E,F	2	2	2	I	H,I	6	6	6	25	CO2
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OR

The capital structure of Rohit Ltd. is as under:

3,000, 12% Debentures of Rs. 100 each	3,00,000
2,000, 10% preference shares of Rs. 100 each	2,00,000
4,000, Equity Shares of Rs. 100 each	4,00,000
Retained Earnings	1,00,000

The earning per share of the company in the past many years have been Rs. 15. The shares of the company are sold in the market at book value. The company tax rate is 50%. The shareholder's tax liability may be assumed as 25%. Find out the Weighted Average Cost of Capital.