

Part - B

Answer only three (03) questions including question number 01 in Part B

Marks Allocated: 70

01.

- i. "Time Value of Money is considered as one of the important factors for evaluating projects". Do you agree with this statement? Justify your answer. (05 Marks)
 - ii. Discuss the importance of "Decision Matrix" for project evaluation. (07 Marks)
 - iii. Briefly explain the advantages and disadvantages of using "Accounting Rate of Return" to evaluate projects. (08 Marks)
- ii. ABC Lanka Ltd. is planning to undertake a project requiring initial investment of Rs. 10,000 and it is expected to generate cash inflows of Rs. 4,000, Rs. 3,000, Rs. 5,000 and Rs. 2,000 in four years. Assume rate of discount is 10%.

You are required to;

- i. calculate the Payback Period of this project (01 Marks)
- ii. calculate the Accounting Rate of Return. (01 Marks)
- iii. calculate the Net Present Value of this project. (04 Marks)
- iv. calculate the Gross Profitability Index of this project. (02 Marks)
- v. discuss your decision regarding the project if you are the manager of ABC Lanka Ltd. (02 Marks)

(Total Marks 30)

02.

- i. Explain the key stages of the project management process with relevant example. (08 Marks)
- ii. Assume that you are a Project Manager of MKB Manufacturers Limited. Recently your organization has decided to conduct the promotion campaign for your whole product line. As the project manager write the project proposal to the parent organization to get approval for funding of the project. (12 Marks)

(Total Marks 20)



03.

- i. Explain the key information which will be required to estimate the project budgets.

(08 Marks)

- ii. Alpha Garment Limited has decided to construct another plant in the city area of Kandy. The management of this company has been asked to perform the Environmental Impact Assessment to get the approval to start this project. Briefly discuss the steps that should be followed to assess the Environmental Impacts of this project.

(12 Marks)

(Total Marks 20)

04. Mayura Solutions (Pvt.) Limited has scheduled the following activities to complete the software development project for its client.

Activity	Immediate Predecessor	Activity Time (Days)
A	—	10
B	—	15
C	A	5
D	B	12
E	C,D	14
F	B	8
G	D,F	15
H	E	10
I	E,G	6
J	F,I	9

- i. Draw the project network. (10 Marks)
- ii. Develop the project schedule. (05 Marks)
- iii. What are the critical activities of this project? (01 Mark)
- iv. What is the project completion duration? (01 Mark)
- v. Can activity "D" be delayed without delaying the entire project? If so, by how many days? (03 Marks)

(Total Marks 20)