

Project Management
1st Year 2nd Semester - 2016

Part - B - 2016

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

Marks Allocated: 70

01.

- i. What is "Internal Rate of Return"? (04 Marks)
- ii. Discuss the importance of decision matrix for appraising projects. (05 Marks)
- iii. Discuss the merits and demerits of calculating "Net Present Value" for appraising projects. (06 Marks)
- iv. Cranberries Confectionary 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 to follow. Assume that the maximum required rate of the company has been given as 10%.

You are required to:

- a) Calculate the pay-back period of this project. (02 Marks)
- b) Calculate the Net Present Value (NPV) and state your decision based on NPV technique. (05 Marks)
- c) Calculate gross Profitability Index (PI) of this project. (02 Marks)
- d) Calculate the Internal Rate of Return (IRR). (02 Marks)
- e) Discuss your decision regarding this project as the manager of Cranberries Confectionary Ltd. (04 Marks)

(Total Marks 30)

02.

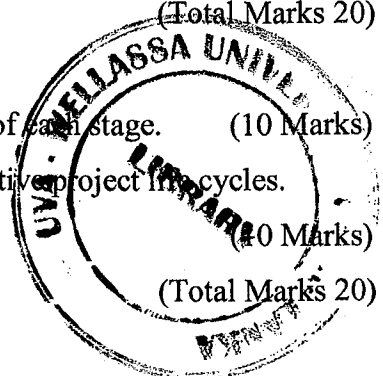
- i. Discuss the importance of managing projects successfully. (10 Marks)
- ii. Discuss how the success of the project can be evaluated as per the model proposed by Shenhar and his colleagues in 1997. (10 Marks)

(Total Marks 20)

03.

- i. Explain the generic model of project life cycle and features of each stage. (10 Marks)
- ii. Discuss the differences among predictive, adoptive and iterative project life cycles. (10 Marks)

(Total Marks 20)



04. ABC Software Company (Pvt.) Limited has scheduled the following activities to complete the software development project for its client.

Activity	Immediate Predecessor	Activity Time
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? (01 Mark)
- iv. What is the project completion duration? (01 Mark)
- v. If there is an option to delay one activity without delaying the entire merge project, which activity would you delay and why? (03 Marks)

(Total Marks 20)

