

Uva Wellassa University  
Faculty of Management

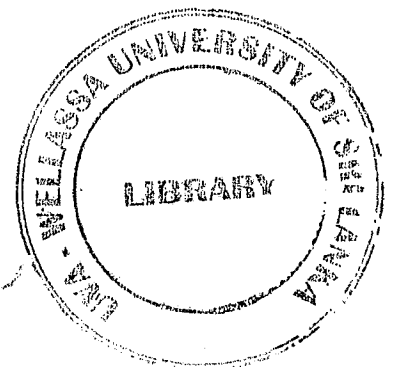


**Uva Wellassa  
University**

*SECOND YEAR FIRST SEMESTER EXAMINATION – MAY / JULY 2017*

**BGE 221 - 3 Project Management and Economics**

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**Part A**  
**Project Management**

**Instructions to candidates:**

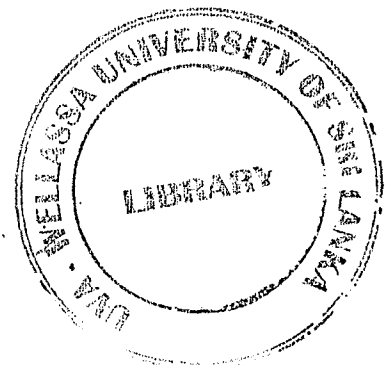
No. of questions : Five (05) Essays

Marks allocated : 50 Marks

**Answer any three (03) questions including question number one (1)**

- 1)
- a) Define the term "Project". (03 Marks)
  - b) State any four (04) major characteristics of a project. (03 Marks)
  - c) Explain why project management is needed (03 Marks)
  - d) Briefly discuss the life cycle of a project (04 Marks)
  - e) Discuss the deference between project manager and a functional manager by providing examples (07 marks)
- (Total 20 marks)**

- 2)
- a) Discuss the importance of Project Planning (05 Marks)
  - b) Briefly discuss the elements of a Project Plan (06 Marks)
  - c) Explain the hierarchical planning system using your own examples (04 Marks)
- (Total 15 Marks)**



3)

Find the critical path for the provided network using ESTs and LSTs (15 marks)

Activity	Preceding activity	Duration (days)
1	-	4
2	1	7
3	1	5
4	1	6
5	2	2
6	3	3
7	5	5
8	2,6	11
9	7	7
10	8	4
11	3,4	3
12	9,10,11	4

4)

- a) Explain the concepts of top down budgeting and bottom up budgeting (07 Marks)
- b) Describe the Program budgeting and activity budgeting (08 marks)

(Total Marks 15)

5) Write short notes on any 3 (three) of the following (5 marks for each)

- a). Initial project coordination
- b). Action plan of a project
- c). Critical path analysis
- d). Dummy activity
- e). Free Float in Network analysis
- f). Least cost scheduling rule
- g). Risk with project failure

(Total Marks 15)

- a). Define the term "Cross Elasticity of Demand" 3 marks
  - b). Explain two determinants of cross elasticity of demand 4 marks
  - c). On a supply and demand diagram, show equilibrium price, equilibrium quantity and total revenue received by the producers 4 marks
  - d). If demand is elastic, how will an increase in price change the total revenue? Explain using a graph. 4 marks
- Total 15 marks**

04. Suppose a firm faces a cost function of  $C = 25 + 8Q + 2Q^2 - Q^3$
- a) What is the formula for marginal cost (MC)? 2 marks
  - b) What is the firm's fixed cost, FC? 2 marks
  - c) What is the formula for the firm's variable cost, VC? 2 marks
  - d) What is the formula for the average cost, AC? 2 marks
  - e) What is the formula for average variable cost, AVC? 2 marks
  - f) On a diagram, draw the AC, AVC, and MC curves. 5 marks
- Total 15 marks**

05. Write short notes on any **Five (5)** of the followings, 3 marks for each
- a) Opportunity Cost
  - b) Price Elasticity of Supply
  - c) Change in demand and change in quantity demanded
  - d) Study of Macroeconomics
  - e) Weaknesses in National Income Accounting
  - f) Different exchange rate regimes in Sri Lanka
  - g) Externalities
  - h) Budget Proposal 2016

**Total 15 marks**

