



**Uva Wellassa University
BSc in Export Agriculture**



**End Semester Examination February/ March 2012
Year IV Semester I
Agricultural Project Analysis EAG 425-2**

Instructions

Answer all questions

No. of questions : Two (02)

No. of pages : Three (03)

Total marks allocated : 50%

Time : One hour (01 hr)

Part II - Essay

Question 01

- I. Briefly explain the use of Gantt chart as a project planning & scheduling technique.
- II.

Activity	A	B	C	D	E	F	G	H	I
Preceding activity	-	-	-	A	A	B&D	C	C	F&G
Time (days)	10	12	8	13	14	18	14	12	12

Draw a Gantt chart and find out the project completion time.

III. A project has the following activity durations and resource requirements.

Activity	Preceding Activity	Duration (days)	Resource requirements (units)
A	-	6	3
B	-	3	2
C	-	2	2
D	C	2	1
E	B	1	2
F	D	1	1

- a. Assuming no restrictions and starts are made on the EST of each activity; show the network, critical path and resource requirements on a day by day.
- b. What would be the plan if there are only six (06) units of resources?

Question 02

- I. What is the importance of **Profitability Index method** than NPV method?
- II. Reliable Engineers Ltd is considering two different project proposals. Both proposals have an investment cost of Rs 10, 00,000 and both the projects are expected to yield returns for a period of five (05) years. The estimated income of the two proposals at the end of first year to fifth is as follow.

	Proposal - I	Proposal - II
End of year I	Rs. 3,30,000	Rs. 9,00,000
End of year II	Rs. 5,00,000	Rs. 11,00,000
End of year III	Rs. 3,70,000	Rs.12,00,000
End of year IV	Rs. 3,00,000	Rs. 8,00,000
End of year V	Rs. 2,00,000	Rs. 7,00,000

Which is the **most attractive project proposal** considering a discount rate of 12% on the future incomes that will be generated? (Hint; use NPV method)

- III. Compare the following **three (03)** projects on the basis of profitability index.

	Project A	Project B	Project C
Cash out flow	Rs. 11,00,000	Rs. 23,00,000	Rs. 19,00,000
Present value of cash in flows	Rs. 14,50,000	Rs. 38,50,000	Rs. 35,00,000