A

APJ Abdul Kalam Technological University

Ernakulam II Cluster

Third Semester M.Tech Degree Examination December 2017

05ME 7441 PRACTICAL PROJECT MANAGEMENT

Time: 3 hrs   Max. Marks 60

1.
   a) Explain the system concept of project management.   (3 Marks)

   b) What do you mean by project planning?   (3 Marks)

   c) What is Project Management? Explain project life cycle phases with a neat sketch.

                                                                                                       (6 Marks)

2.
   a) Define critical path method.   (3 Marks)

   b) Illustrate the essential difference between PERT and CPM techniques.   (3 Marks)

   c) Consider the (simplified) list of activities and predecessors that are involved in building a house. Draw a project network and find the critical path and the minimum number of days needed to build the house.

Activity	Description	Predecessors	Duration (days)
Activity A	Build foundation	—	5
Activity B	Build walls and ceilings	A	8
Activity C	Build roof	B	10
Activity D	Do electrical wiring	B	5
Activity E	Put in windows	B	4
Activity F	Put on siding	E	6
Activity G	Paint house	C, F	3

                                                                                                       (6 Marks)

3.
   a) Write notes on the following investment alternative evaluation methods: (i) Net Present Value method and (iii) IRR.   (8 Marks)

   b) A company is considering the following investment projects

	Cash flows (Rs)			
Projects	C0	C1	C2	C3
A	-10,000	+10,000		
B	-10,000	+7500	+7500	
C	-10,000	+2000	+4000	+12,000
D	-10,000	+10,000	+3000	+3000

Rank the project according to each of the following methods (i) Pay back method (ii) ARR (iii) IRR and (iv) NPV, assuming rates of discount of 10 & 30 percent. Assuming the projects are independent, which should be accepted. If the projects are mutually exclusive which one is the best?

(10 Marks)

OR

4.

a) Discuss the five broad phases of capital budgeting. (10 Marks)

b) XYZ company is considering three alternative projects A,B & C each requiring an investment of Rs 10000 at the beginning of the first year. The life of the project is 5 Years, 10 Years, and 10 Years respectively. If the depreciation is to be charged by straight line method. Salvage value is nil. The rate of tax is 40% and net annual profit before tax but after depreciation is Rs 4000/- for A starting from the first year, Rs5000/- for B and starting from second year and Rs 6000/- for project C starting with the third year, and required rate of return is 20%. Which project out of A, B and C should be selected by(i) Payback period method(ii) Accounting rate of return method(iii) Internal rate of return method. (10 Marks)

5.

a) Describe a risk management plan. (5 Marks)
b) Explain the risk management process. (5 Marks)
c) What are the salient features of decision trees? Explain the steps in decision tree analysis?

(8 Marks)

OR

6.

a) What are the four types of project management roles? Describe the responsibility and authority of managers in each role. (6 Marks)
b) "The objective of risk management is to avoid or minimize the adverse effects of unforeseen events by avoiding the risks or drawing up contingency plans for dealing with them" – Explain. (6 Marks)
c) Explain the various features and facilities available in MS project software package.

(6 Marks)