

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

FINAL YEAR SECOND SEMESTER EXAMINATION IN BACHELOR OF  
BUSINESS ADMINISTRATION / BACHELOR OF COMMERCE/  
SPECIALIZATION IN HUMAN RESOURCE MANAGEMENT/ SPECIALIZATION  
IN MARKETING MANAGEMENT/ SPECIALIZATION IN ENTERPRISE  
DEVELOPMENT 2007/2008 (MARCH 2009)

MGT 401 PROJECT MANAGEMENT

Answer All Questions

Time: 3 Hours

Q. 01 Read the case study and answers the questions.

### IDC Limited

IDC Ltd is a software development company that specializes in designing and implementing internet websites and e-commerce systems for their clients. IDC Ltd is based in Malaysia with a branch office in Sri Lanka; their clients are worldwide. A large proportion of IDC's work can be done via the Internet, although they do have to visit their clients' sites for the initial systems analysis and sometimes to participate in presentations, systems testing and implementation.

IDC employ 150 staff split evenly between Malaysia and Sri Lanka. Some projects are shared jointly between the two sites, with staff from Malaysia and Sri Lanka working together. In the past this has caused problems due to lack of adequate communication between the staff. Most of the staff are specialists and can only work on a small part of a project.

The staff falls into the following categories.

- System analysts – the main contract with the client, senior systems analysts also act as project managers.
- Designers – IDC regularly use specialist consultant graphic designers to design the graphics for the websites. The designers are commissioned to create an appropriate graphic design for the site that will attract and hold the attention of clients.
- Programmers – create the code required to run the website.
- Administrators, sales and marketing.

The staff works on projects in development teams, the membership of which can vary depending on the requirements of the projects.

IDC Ltd provides a full development and maintenance service for their clients, starting with an initial idea, 'I think we could do with setting up a Website' through to the handover to the client's staff.

IDC has many projects in progress at any one time. Each project has a project manager but can utilize any of the specialist staff as required. The workload does not follow any particular cycle but does vary from time to time. At present there are a lot of projects in process, some of which are being held up as the specialist required is not available when needed.

IDC have recently started talking to ABC Inc. ABC is considering the possibility of setting up a website and moving into e-commerce. ABC has recently formed a steering committee to oversee the e-commerce project. The steering committee has asked IDC to justify setting up a feasibility study team to prepare a feasibility report on e-commerce in their company.

### Questions

a) Explain to ABC the need for, and purpose of, a feasibility study.

(8 Marks)

b) Explain the factors that ABC Inc. should consider in evaluating the feasibility of the e-commerce project.

(12Marks)

c) Outline the contents of a feasibility report.

(8 Marks)

(Total 28 Marks)

### Q. 02

a) Define the term 'project' and 'project objective' with examples.

(4 Marks)

b) Briefly explain the factors of a project to be considered as the constraints of project's success.

(4 Marks)

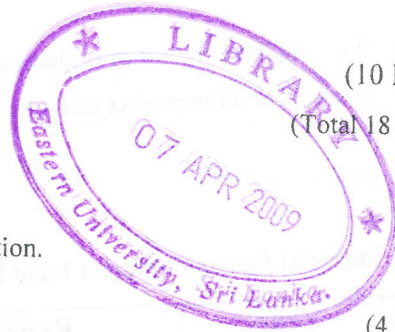
- c) The board of the Kingfisher Company is discussing a report that they commissioned concerning the company's computer systems. In the report, the IT director noted that many computer systems are old and need significant upgrading to enable Kingfisher Company to maintain any competitive advantage for its products. However, there are insufficient resources in-house either to propose new systems or to perform any upgrades.

*Requirement:*

Briefly explain the phases of the project life-cycle, showing where ever possible, how each phase relates to the Kingfisher Company.

(10 Marks)

(Total 18 Marks)



Q. 03

- a) List out the major approaches of project identification.

(4 Marks)

- b) Explain why project planning is vital to project management and the steps involved in project planning.

(5 Marks)

- c) At the start of conference, Murali has drawn up a list of the activities that he must complete in preparation for the conference, he has identified the dependency between the different activities and the time he thinks each will take.

d)

Activity	Dependency	Time (weeks)	Human resource
Determine conference theme (A)	-	3	8
Research alternative venues (B)	-	6	8
Identify and book guest speakers (C)	A	4	4
Book venue (D)	B	2	4
Print conference papers (E)	C	8	4
Print and send out invitations (F)	D	4	4
Confirm final arrangements with venue and deliver documents (G)	E,F	2	4

*Required:*

If the availability of human resource is limited to 12 men per day allocate the resource accordingly.

(9 Marks)

(Total 18 Marks)

**Q. 04**

a) List out the risks associated with a project.

(4 Marks)

b) Why implementation of projects and its reviews and feedback are important to strategic planning and the project manager?

(5 Marks)

c) Financial figures of Project 1 and Project 2 are given below.

Year	Expected Net Cash Flows in Rs. (Millions)	
	Project 1	Project 2
0	(500)	(500)
1	325	175
2	150	175
3	150	175
4	50	175

*Requirements:*

- 1) Calculate each of the project's payback, net present value (NPV) and internal rate of return (IRR).
- 2) Which project or projects should be accepted if they are independent based on NPV and IRR?

(9 Marks)

(Total 18 Marks)

Q. 05

- a) "The Project manager requires a set of skills that will encourage and lead the project team to succeed and to create customer confidence in the project team." Briefly explain the skills needed for a successful project manager.

(5 Marks)

- b) When selecting a project, should the lowest price proposals always be selected? Give reasons for your answer.

(6 Marks)

- c) You are newly appointed as IT Project Consultant in XYZ Inc. In recent times, some of the projects undertaken by XYZ Inc. has failed due to its inefficient project control mechanism leading to severe defects in the system. Suggest to XYZ Inc. the necessary steps to be taken to ensure adequate project control in its project.

(7 Marks)

(Total 18 Marks)

