

Code No: 741AG

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**MBA I Semester Examinations, January-2018****PROJECT MANAGEMENT****Time: 3 hours****Max.Marks:75****Note:** This question paper contains two parts A and B.

Part A is compulsory which carries 25 marks. Answer all questions in Part A.

Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

PART - A**5 × 5 Marks = 25**

- 1.a) What are the characteristics of a 'Project'? What are the unique characteristics of project management? [5]
- b) Explain the concept of Social Cost Benefit Analysis? [5]
- c) What are the advantages and limitations of Payback period method? [5]
- d) What are the essential features of quality assurance system? [5]
- e) What type of organization structure is best suited for project management? Why? [5]

PART - B**5 × 10 Marks = 50**

- 2.a) What suggestions would you offer to persons scouting for new project ideas?
- b) What is the importance of screening of project ideas? What are 'Drop errors' and 'Go errors' in this context? [5+5]

OR

- 3.a) What are the special characteristics of 'public sector' projects?
- b) What are the different stages of project life cycle? [5+5]
- 4.a) What are the steps to be followed in undertaking a 'sample survey'?
- b) What are the aspects to be considered while performing 'technical analysis'? [5+5]

OR

5. An all equity firm is evaluating the following projects:
The risk free rate is 11 percent and the expected market risk premium is 6 percent. The firm's cost of capital is 16 percent.

Project	Beta	Expected return (%)
A	0.5	15
B	0.8	16
C	1.2	21
D	1.6	22
E	1.7	23

- a) Which project should be accepted?
- b) If the firm's cost of capital is used as a hurdle rate, which projects will be accepted or rejected incorrectly? [10]

6.a) What are the advantages and limitations equity capital financing of the project?

b) What is venture capital?

[6+4]

OR

7.a) The following table presents the possible cash flows for projects A and B, and their associate probabilities. You are required to calculate the expected monetary value of each project and state which project is to be considered.

possibilities	Project A		Project B	
	Cash flow Rs.	Probability	Cash flow Rs.	probability
1	7,00,000	0.10	12,00,000	0.10
2	8,00,000	0.20	8,00,000	0.10
3	9,00,000	0.30	6,00,000	0.10
4	10,00,000	0.20	4,00,000	0.20
5	11,00,000	0.20	2,00,000	0.50

b) What do you understand by the term 'cost of capital'? How do you work out to arrive at the cost of capital?

[6+4]

8.a) Outline the 'lean' principles as applied to project management.

b) What are the major elements of quality cost?

[5+5]

OR

9. A project consisting of eight activities has the following characteristics.

Activity	Preceding activity	Time estimates in weeks		
		Optimistic	Most likely	pessimistic
A	----	2	4	12
B	----	10	12	26
C	A	8	9	10
D	A	10	15	20
E	A	7	7.5	11
F	B,C	9	9	9
G	D	3	3.5	7
H	E,F,G	5	5	5

a) Draw the PERT network for the project.

b) Determine the critical path.

[10]

10. What are the tasks and distinguishing features of a project leader? How does it differ from project management?

[10]

OR

11. What is a team? What are the challenges of building a well-knit multidisciplinary project team?

[10]

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