



MB 20 A

III Year M.B.A. Examination, July 2010
Elective Group – A : MANAGERIAL FINANCE
Course – 20 A : Project Management and Control

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions. **Each** question carries **2** marks. **(2×5=10)**

- a) What is the present value of Rs. 5,000 receivable after 3 years at an interest rate of 10% worth today ?
- b) Mention the important phases of project life cycle.
- c) A finance company advertises that it will pay a lump sum of Rs. 50,000 at the end of 6 years to investors who deposit annually Rs. 5,000. What interest rate is implicit in the offer ?
- d) What is a critical path ?
- e) What are pre-operative expenses ?
- f) What is Debt Service Coverage Ratio ?
- g) What are shadow wage rates ?

SECTION – B

Answer **any two** questions. **Each** question carries **10** marks. **(10×2=20)**

- 2. How does a project differ from a job that is processed through a job shop or a service facility ?
- 3. What is work breakdown structure, and how is it useful for project planning ?
- 4. Technology and processes play crucial role in certain projects. What the key issues are in regards to choice of technology, equipment and processes at the stage of formulation of DPR ?
- 5. Explain the importance of 'project review' in the context of control of a project.

P.T.O.



SECTION – C

Answer **any three** questions. **Each** question carries **15** marks. Question No. **10** is **Compulsory** : **(15×3=45)**

6. What are some aspects of the project manager's job that make it more demanding than the job of a manager working in a more routine organized framework ?
7. "A good team-work speeds up project implementation. Developing self directed project teams is the key to improving effectiveness in project management". Comment with some examples.
8. Discuss the various methods of financial evaluation of the projects. Make a comparative analysis of these methods.
9. Explain how managing creativity and risk-taking go hand to hand.
10. A project has seven activities. The relevant data about these activities are given below :

Activity	Dependence	Normal duration (days)	Crash duration	Normal cost (Rs.)	Crash cost (Rs.)
A	-	7	5	500	900
B	A	4	2	400	600
C	A	5	5	500	500
D	A	6	4	800	1000
E	B, C	7	4	700	1000
F	C, D	5	2	800	1400
G	E, F	6	4	800	1600

- i) Draw the network and find out the normal duration and minimum duration.
- ii) What is the percentage increase in cost to complete the project in 21 days ?