

Code No: 741AG

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

MBA I Semester Examinations, October/November-2020

PROJECT MANAGEMENT

Time: 2 hours

Max.Marks:75

Answer any five questions
All questions carry equal marks

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1. What are the general criteria for determining when to use project management techniques and organization? Justify all the criteria with the help of one example.

[15]

2. Janakiram is considering an investment which requires a current outlay of Rs. 25,000. The expected value and standard deviation of cash flows are:

| Year | Expected Value (in Rs.) | Standard Deviation (in Rs.) |
|------|-------------------------|-----------------------------|
| 1 | 12,000 | 5,000 |
| 2 | 10,000 | 6,000 |
| 3 | 9,000 | 5,000 |
| 4 | 8,000 | 6,000 |

The cash flows are perfectly correlated. Calculate the net present value and standard deviation of the net present value of this investment, if the risk-free interest rate is 8%.

[15]

- 3.a) Discuss the risk adjustment discount method.
b) How is financial break-even analysis done?

[8+7]

4. The cash flow associated with three projects A, B, and C are given below-

| Year | Net Cash flow (in Rs.) | | |
|------|------------------------|------|------|
| | A | B | C |
| 0 | 2000 | 2000 | 2000 |
| 1 | 1400 | 500 | 500 |
| 2 | 600 | 1100 | 500 |
| 3 | 400 | 900 | 1600 |

Calculate Net Present Value (NPV) of each project at discount rate of 5%, 10%, and 25%.

[15]

5. How would you calculate the variability of project duration and probability of completion at a specified time? Illustrate with an example.

[15]

6. A project consists of 12 activities and their time estimates are shown below:

| Activity | Time (in Weeks) | | |
|----------|-----------------|-------|-------|
| | t_o | t_m | t_p |
| 1-2 | 4 | 6 | 10 |
| 1-3 | 3 | 7 | 12 |
| 1-4 | 5 | 6 | 9 |
| 1-7 | 2 | 4 | 6 |
| 2-4 | 6 | 10 | 20 |
| 2-6 | 3 | 4 | 7 |
| 2-7 | 5 | 9 | 15 |
| 3-4 | 3 | 7 | 12 |
| 4-5 | 2 | 4 | 5 |
| 5-6 | 1 | 3 | 6 |
| 3-7 | 2 | 5 | 8 |
| 6-7 | 1 | 2 | 6 |

- Draw the network diagram.
- Determine the critical path.
- Calculate the event slacks and activity floats.
- Find the standard deviation of the critical path evaluation. [15]

7. Explain different types of stresses with their causal effect of project implementation with the help of an example. [15]

8. Write Short Notes on following topic:

- Participative Management
- Organizational Structure
- Roles of project team [5+5+5]

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