

**Code No: 761AG**

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**  
**MBA I Semester Examinations, March - 2023**  
**PROJECT MANAGEMENT**

**Time: 3 Hours****Max.Marks:75**

- Note:** i) Question paper consists of Part A, Part B.  
 ii) Part A is compulsory, which carries 25 marks. In Part A, Answer all questions.  
 iii) In Part B, Answer any one question from each unit. Each question carries 10 marks and may have a, b as sub questions.

**PART - A****(25 Marks)**

- 1.a) List out the characteristics and the benefits of Project management? [5]
- b) Distinguish between internal risk and external risk of a project. [5]
- c) Explain the various means of financing a project. [5]
- d) Discuss the essential ingredients of quality control process. [5]
- e) How is the authority of a typical project manager different from the authority of other managers? [5]

**PART - B****(50 Marks)**

- 2.a) What aspects of a project might involve some degree of uncertainty? Why it is so?
  - b) Describe the main phases of the project life cycle. [5+5]
- OR**
- 3.a) What can a firm do to stimulate the flow of project ideas?
  - b) Comment critically on the unique features/risk management initiatives of any large construction project with which you are conversant. [5+5]
- 4.a) What is a feasibility study? Why is it important in project appraisal?
  - b) Describe the various types of feasibility studies undertaken in project evaluation context. [5+5]

**OR**

- 5.a) Discuss the steps involved in sensitivity analysis undertaken for project risk analysis.
- b) Ram is considering an investment which requires a current outlay of Rs.25,000. The expected value and standard deviation of cash flows are as follows:

Year	Expected value(Rs.)	Standard deviation(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 expected net present value and standard deviation of net present value of this investment, given that the risk-free rate of interest is 8 percent. [5+5]

- 6.a) A company is considering two projects, Project A and Project B, each of which requires an initial outlay of Rs.50 million. The expected cash flows from these projects are:

Year	Project A (Rs. In millions)	Project B (Rs. In millions)
1	11	38
2	19	22
3	32	18
4	37	10

- i) What is the payback period for each of these projects?  
 ii) What is the discounted payback period for each of the projects if the cost of capital is 12 percent?  
 iii) If the two projects are independent and the cost of capital is 12 percent, which project(s) should the firm invest in?  
 b) What are the properties of the NPV rule? [6+4]

**OR**

- 7.a) Explain the three steps involved in calculating a firm's weighted average cost of capital (WACC)?  
 b) Amway Ltd issued 15 year, 14 percent bonds 5 years ago. The bond which has a face value of Rs.100 is currently selling at Rs.108.  
 i) What is the pre-tax cost of debt?  
 ii) What is the after-tax cost of debt? (Assume a 35 percent tax rate).  
 c) Omega Ltd has a target capital structure of 60 percent equity and 40 percent debt. Its cost of equity is 18 percent and its pre-tax cost of debt is 14 percent. If the tax rate is 35 percent, what is the WACC? [3+3+4]

8. A work project consists of twelve activities labelled A through L. Upon being asked to specify the order in which the jobs had to be done the manager answered as follows: A, B and C are the first activities of the project and can start simultaneously and immediately. A and B precede D while B precedes E, F and H. Activities F and C precede G while E and H precede I and J. C, D, F and J precede K which, in turn, precedes L. Further I, G and L are the terminal activities of the project. The completion times of the various activities are listed below:

Activity	A	B	C	D	E	F	G	H	I	J	K	L
Time(days)	6	4	10	1	1	3	14	6	9	2	7	5

- a) Draw a network diagram corresponding to this project.  
 b) Obtain lengths of all the paths and determine the critical path. [5+5]

**OR**

- 9.a) Explain briefly the three phases of the project control process.  
 b) Discuss the different ways of measuring ongoing work progress in a project. [5+5]
- 10.a) Distinguish between leading and managing a project.  
 b) Discuss why a project manager, to be effective, must understand how stakeholders can affect the project and develop suitable methods for managing the dependencies/web of relationships. [5+5]

**OR**

- 11.a) Outline the conditions of management and the team members essential for team building interventions to succeed and give three examples of situations where team building could be fruitfully employed.  
 b) What is 'social support' and what are its sources?  
 c) Does social support reduce job stress? Explain. [4+3+3]

---oo0oo---