PAN AFRICA CHRISTIAN UNIVERSITY

END OF SEMESTER EXAMINATION FOR THE DEGREE OF

BACHELOR OF BUSINESS LEADERSHIP

BACHELOR OF COMMERCE

BACHELOR OF BUSINESS INFORMATION TECHNOLOGY

JANUARY – APRIL 2018 SEMESTER

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS STUDIES

COURSE CODE: BUE4113

COURSE TITLE: PROJECT PLANNING AND MANAGEMENT

EXAM DATE: FRIDAY 13TH APRIL 2018

TIME: 9:00AM-12:00PM

INSTRUCTIONS

- This examination script consists of **Six (6)** questions.
- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.
- **Answer Question One And Any Other Four Questions**

QUESTION 1 ***COMPULSORY*** ***(40 MARKS)***

(a) Highlight **FOUR** reasons for Project Audit. **(4 Marks)**

(b) Discuss **THREE** operational risks that an organization may be faced with when implementing its projects. **(6 Marks)**

(c) Humphrey has overseen a project which is at the stage of closure. Explain **THREE** ways that he may use to close out the project. **(6 Marks)**

(d) Sylvia, a project manager at Lintel Limited is planning to undertake a project appraisal. Discuss **THREE** aspects that she should cover during the process. **(6 Marks)**

(e) Elizabeth began a project which later on failed. Discuss **FOUR** factors that led to the failure of her project. **(8 Marks)**

(f) Project cycle has been cited as the basis for a successful project. Using a well labelled diagram, describe the cycle. **(10 Marks)**

QUESTION 2 ***(15 MARKS)***

(a) Explain **THREE** purposes of a Project Status Report. **(6 Marks)**

(b) Moses encountered a number of risks while undertaking an infrastructural project. Discuss with relevant examples in each case, **THREE** types of project risks that he might have been faced with. **(9 Marks)**

QUESTION 3 ***(15 MARKS)***

(a) Explain **THREE** sources of project ideas that one can use to come up with a project **(6Mks)**

(b) Using illustrations in each case, discuss any **THREE** characteristics of a successful project. **(9 Marks)**

QUESTION 4 ***(15 MARKS)***

(a) Jems Limited has a 4-year project whose initial cash outlay is Sh. 500,000. The project will generate the following cash flows:

Year	1	2	3	4
Cash flows (in Sh' 000)	120	160	200	150

Compute:

(i) the payback period; **(5 Marks)**

(ii) the payback reciprocal in percentage. **(2 Marks)**

(b) Explain **FOUR** items that are included in a risk register. **(8 Marks)**

QUESTION 5 ***(15 MARKS)***

(a) Highlight **FIVE** duties of a termination manager during the termination of a project. **(5Mks)**

(b) Explain with examples **FOUR** components of project documentation. **(10 Marks)**

QUESTION 6 ***(15 MARKS)***

(a) Explain **THREE** factors that are used to determine the success of a project.**(6 Marks)**

(b) Kwetu Limited has a four-year project which is expected to generate the following cash flows:

Year	1	2	3	4
Cash flows (in Sh' 000)	60,000	40,000	30,000	50,000

The initial cash outlay of the project is Sh. 150,000. The cost of capital of the firm is 14%.

Compute the NPV of the project. **(9 Marks)**