



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR THE BACHELOR OF COMMERCE

HBC 2404 – PROJECT MANAGEMENT

DURATION: 2 HOURS

DATE: 11TH DECEMBER, 2017

TIME: 2.00- 4.00 P.M.

Instructions to Candidates:

- 1. Answer Question 1 and Any Other Two questions.**
- 2. Mobile phones are not allowed in the examination room.**
- 3. You are not allowed to write on this examination question paper.**

SECTION ONE - COMPULSORY

QUESTION ONE

- (a) The purpose of Project Management is to achieve successful project completion with the resources available. Discuss the characteristics of Projects. (10 marks)
- (b) Discuss the projects success factors that make a project get successfully completed (10 marks)
- (c) Project life cycle is the sequential phases through which projects undergo. Describe the phases of a project life cycle (10 marks)

SECTION TWO – ANSWER ANY TWO QUESTIONS

QUESTION TWO

- (a) The key to a successful project is planning. Discuss the various steps of project planning. (10 marks)
- (b) Project financiers are concerned with minimizing the dangers of any events which could have a negative impact on the financial performance of the projects. Discuss the steps of minimizing the risks (10 marks)

QUESTION THREE.

- (a) Discuss the steps in the critical path method project implementations process (10 marks)
- (b) The project logframe is a management tool that aims to promote good project design by stating key components how the project is expected to work. Discuss the two types of logframe logic and their components (10 marks)

QUESTION FOUR

- (a) Abdalla & Company is considering to purchase an equipment to be attached with their main manufacturing machine. The equipment will cost \$6000 and will increase annual cash inflow by \$2200. The useful life of the equipment is 6 years. After 6 years it will have no salvage value. The management wants a 20% return on all investments.

Required:

- i) Compute net present value (NPV) of this investment project (5 marks)
- ii) Should the equipment be purchased according to NPV analysis? (5 marks)
- (b) Project monitoring and evaluation is an important component of the project life cycle. Discuss the process of monitoring and evaluation (10 marks)