MAASAI MARA UNIVERSITY

REGULAR UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR
SECOND YEAR FIRST SEMESTER

SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF SCIENCE

COURSE CODE: BPM 2103
COURSE TITLE: PROJECT IDENTIFICATION AND APPRAISAL

DATE:14/12/2023   **TIME: 0830-1030HRS**

INSTRUCTIONS TO CANDIDATES
Question **ONE** is Compulsory
Answer any other **THREE** Question
This paper consists of 3 printed pages. Please turn over.

QUESTION ONE(20 MARKS)-COMPULSORY

Larry began well by gathering the entire team together in a conference call to explain the project objectives and schedules. Because the team was dispersed in several countries, this conference call was probably the next best option to having a face-to face meeting. However, because several team members are not native English speakers, Larry needs to be sure they understand his communications with them. He could consider using the translators to interpret his communications into the languages spoken by the representatives from the printing companies.

A fault in the communication plan appears to be the frequency of status reports. Since the major project tasks are in increments of one month, a status report every two weeks is not often enough to spot potential problems in time to take corrective action before the problems become serious. For example, at the end of the first two-week period, the project manager discovered the project was already ten days late. Status reporting on this project should be at least weekly.

Required,

(a)
   i. With reference to the above case, discuss the trends in project management highlighting the impacts both globally and locally.
   (4 Marks)

  ii. In a finish to start relationship between predecessor and successor activities, Larry, the project manager decided to schedule a successor activity 5 days before its predecessor is complete and still realized later that the project is ten days late as per the schedule. Discuss the challenges he might have faced during scheduling with reference to the above case. **(4 Marks)**

 iii. Discuss why monitoring and evaluation is crucial to any project at any given phase. **(4 Marks)**

  iv. Communication is a major challenge in project management, citing examples from the above case, discusses major challenges realized by project managers when trying to explain the project objectives and schedules to their project team members. **(4 Marks)**

(b)   A Project's initial cost is Kshs.750,000/= and expected to generate annual returns of 25% of initial cost. How long will it take to recoup the

amount invested? **(Show your workings**).   **(4 marks)**

QUESTION TWO (10 MARKS)

a) A local investor has proposed to construct a dam aimed at generating electricity and creating fishing grounds near a population centre. The project is expected to have the following stream of cash flows over the first 8 years of its life.

Year	1	2	3	4	5	6	7	8
Costs (Millions Sh.)	40	30	20	20	10	-	-	-
Benefits (Millions Sh.)	-	-	-	-	60	60	80	120

Determine the Net Present Value (NPV) of the project at a discount rate of 12 % and comment on the acceptability of the project.(10 marks)

QUESTION THREE (10 MARKS)

(b). (i)Citing relevant examples, discuss why some projects may fail to go through feasibility analysis.   **(6 marks)**

(ii) Costing of projects in real life is a problem to project managers. Discuss.

                                                            (4 marks)

QUESTION FOUR (10 MARKS)

a). Ethiopian Airways is considering investing Sh. 1 million at 8% compounded semi-annually and quarterly for 2 years. Evaluate the two investment options and advice accordingly.(4 marks)

b).You have been appointed the chairman of DDC at a local level, describe by designing a screening matrix how you could use it to prioritize the numerous project proposals presented to you.   **(6 marks)**

QUESTION FIVE (10 MARKS)

a) Describe the roles and responsibilities of the project manager.(3 marks)

b) Explain common reasons that lead to project failure and for each provide a solution to reduce its effect on the project success. **(7 marks)**

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