JUNE 2013 EXAMINATION

DATE: 4 JUNE 2013

TIME: 09H00 – 11H00

TOTAL: 100 MARKS

DURATION: 2 HOURS

PASS MARK: 40%

(PROBUS6)

PROJECT MANAGEMENT

THIS EXAMINATION PAPER CONSISTS OF 4 SECTIONS:

SECTION A: CONSISTS OF:
(i) 10 MULTIPLE-CHOICE QUESTIONS (10 MARKS)
(ii) 10 TRUE OR FALSE QUESTIONS (20 MARKS)
ANSWER ALL THE QUESTIONS

SECTION B: CONSISTS OF 2 SHORT QUESTIONS
ANSWER BOTH QUESTIONS (15 MARKS)

SECTION C: CONSISTS OF 2 LONG ANSWER QUESTIONS
ANSWER ONE OF THE QUESTIONS (30 MARKS)

SECTION D: CONSISTS OF 2 INTERPRETATIVE QUESTIONS
ANSWER ONE OF THE QUESTIONS (25 MARKS)

INSTRUCTIONS:

1. Read the following instructions carefully before answering the paper, as failure to act upon them will result in a loss of marks.
2. Write your answers in your answer book, which is provided in the exam.
3. Ensure that your name and student number are clearly indicated on your answer book.
4. Write your answers in either blue or black ink in your answer book.
5. Read each question very carefully before you answer it and number your answers exactly as the questions are numbered.
6. Begin with the question for which you think you will get the best marks.
7. Note the mark allocations for each question – give enough facts to earn the marks allocated. Don't waste time by giving more information than required.
8. You are welcome to use diagrams to illustrate your answers.
9. Please write neatly – we cannot mark illegible handwriting.
10. Any student caught cheating will have his or her examination paper and notes confiscated. The College will take disciplinary measures to protect the integrity of these examinations.
11. If there is something wrong with or missing from your exam paper or your answer book, please inform your invigilator immediately. If you do not inform your invigilator about a problem, the College will not be able to rectify it afterwards, and your marks cannot be adjusted to allow for the problem.
12. This paper may be removed from the examination hall after the examination has taken place.
SECTION A  

(30 MARKS)

ANSWER ALL THE QUESTIONS

(i) MULTIPLE-CHOICE QUESTIONS

Choose the correct option for each of the following. Write only the question number and your chosen answer. For instance, if you think that the correct answer for number 1 is (a), then write it as 1. (a).

1. The project life cycle is used for:
   
   (a) creating a unique product or service.
   (b) structuring activities in a functional manner.
   (c) identifying the logical relationships between activities.
   (d) subdividing the scope of work into manageable and sequential phases.

2. The factor you should consider when developing a strategy to eliminate or reduce elements of risk is:
   
   (a) the severity and probability of the risk element.
   (b) the transference of the risk element to another party.
   (c) the addition of more resources.
   (d) the use of prototypes.

3. Which one of the following describes the difference between efficiency and effectiveness?
   
   (a) Efficiency is doing the right activities and effectiveness is doing the activities right.
   (b) Efficiency is doing the activities right and effectiveness is doing the right activities.
   (c) Efficiency is working harder and effectiveness is working smarter.
   (d) Efficiency is working smarter and effectiveness is working harder.

4. The output of the commissioning phase of the project life cycle is:
   
   (a) an interim report.
   (b) a close-out report.
   (c) a baseline plan.
   (d) the application of the CPM.

5. Which one of the following is the appropriate organisational structure for large capital projects?
   
   (a) the matrix structure
   (b) the overlay matrix structure
   (c) the pure project structure
   (d) the functional structure
6. The purpose of a resource histogram is to determine:
   (a) an overload or underload situation in the allocation of resources.
   (b) the type and number of resources required.
   (c) the required skills of the resources.
   (d) the availability of the resources.

7. A 'jelled team' is a group of people:
   (a) who jell effectively.
   (b) from different cultural backgrounds.
   (c) with the same ethnical values.
   (d) so strongly knitted together that the whole of the sum is greater than
       the parts.

8. The main purpose of a project is:
   (a) to make a product or create a service.
   (b) to make a profit.
   (c) to meet the stakeholders' needs and expectations.
   (d) to create change in an organisation.

9. The payback period in the financial evaluation of a project means:
   (a) the number of years to recoup the investment.
   (b) the number of years to pay the suppliers.
   (c) the time to make a financial gain equal to the original amount over a
       fixed period of time.
   (d) the shortest possible time to make a financial gain.

10. Which one of the following should be your recommendation regarding a
     possible investment in a project, if the NPV is positive?
     (a) Yes, as there will be a return on the investment.
     (b) No, as there will be risk greater than a return.
     (c) No, as there will be no return on the investment.
     (d) No, not before further financial analysis. [10]
(ii) **TRUE OR FALSE QUESTIONS**

Indicate whether the following statements are true or false. Motivate all your answers.

1. The total cost and time duration of a project can be determined from the WBS.
2. Contract management could be a way of accepting risk in a project.
3. Scope refers to the predetermined target date of the project.
4. A project manager needs to be a multi-skilled individual who is able to handle a wide range of responsibilities.
5. The parallel system is a mini version of the full project system.
6. The project champion is another name used for the project manager.
7. Competitive pressures can force a project team to re-evaluate its plans and make changes.
8. The 8 / 80 rule refers to all work completed within the estimated timeframe of the project.
9. Projects are subdivided into several stages so that the project team can focus on activities as a whole.
10. The purpose of the stakeholders’ analysis is to determine the needs and expectations of the project team. 

\[ 10 \times 2 = 20 \]

\[ 30 \]
SECTION B: SHORT QUESTIONS (15 MARKS)

ANSWER BOTH QUESTIONS

QUESTION 1

(a) Name the four primary deliverable objectives of a project (4)

(b) List five aspects that should be covered in the TOR document, besides the feasibility study. (5)  [9]

QUESTION 2

(a) Give two factors that could affect the structure of your project. (2)

(b) Why was the Gantt chart found lacking as a planning and control technique? (2)

(c) Identify the document used to present the expected inflow and outflow of cash in the baseline plan. (1)

(d) Which document would you use to control the flow of information through the lines of communication? (1)  [6]

[15]
QUESTION 1

Explain why projects fail and discuss the following aspects in your answer:

(a) Innovation (4)
(b) concurrency (3)
(c) stakeholders (3)
(d) communications (2)
(e) IT projects (4)
(f) other common reasons for project failure (14) [30]

OR

QUESTION 2

(a) It is important to monitor and evaluate the quality plan implementation to ensure that the objectives of a project meet the quality requirements of the client.
   i. Identify the purpose of the quality control plan. (7)
   ii. Describe the procedure for quality audits. (8)

(b) Explain the process of the procurement schedule. In your answer discuss the following:
   - The focus or importance of procurement (1)
   - The management of long lead-time items. (6)
   - When and why is the right time to purchase material for a project. (8) [30]
SECTION D: INTERPRETATIVE QUESTIONS

ANSWER ONE OF THE QUESTIONS

QUESTION 1

You are the project manager for H&O Properties, a company whose income is derived from the development and building of housing complexes in a secure environment. The company, using the work breakdown structure, identified the following activities for the project:

<table>
<thead>
<tr>
<th>Activity number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>develop project proposal</td>
</tr>
<tr>
<td>200</td>
<td>develop detailed schedules</td>
</tr>
<tr>
<td>300</td>
<td>award contracts</td>
</tr>
<tr>
<td>400</td>
<td>produce operations manuals</td>
</tr>
<tr>
<td>500</td>
<td>perform a viability study</td>
</tr>
<tr>
<td>600</td>
<td>do a WBS</td>
</tr>
<tr>
<td>700</td>
<td>procure equipment and services</td>
</tr>
<tr>
<td>800</td>
<td>inspect and rectify problems</td>
</tr>
<tr>
<td>900</td>
<td>identify stakeholders</td>
</tr>
<tr>
<td>101</td>
<td>draw a network diagram</td>
</tr>
<tr>
<td>201</td>
<td>develop golf course</td>
</tr>
<tr>
<td>301</td>
<td>train users / clients</td>
</tr>
</tbody>
</table>

(a) To increase the management and control of the project, H&O Properties requires that you indicate the following in a table format:

- Identify the phases in which the activities should be performed and
- what the required process, input and output of each phase should be.

Use the following suggested format for the table:

<table>
<thead>
<tr>
<th>Phase Input</th>
<th>Phase Input</th>
<th>Phase Input</th>
<th>Phase Input</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process</td>
<td>Process</td>
<td>Process</td>
<td>Process</td>
</tr>
<tr>
<td>Output</td>
<td>Output</td>
<td>Output</td>
<td>Output</td>
</tr>
</tbody>
</table>

- ½ mark for each input and output (4 in total)
- 1 mark for each process (12 in total)
- 1 mark for mentioning each phase (4 in total)
(b) Advise H&O Properties on the method they should apply to shorten the duration of the project and give them an example using two or more of the above activities. (5) [25]

OR

QUESTION 2

One of the important project management steps is the identification of elements that can influence the project's success.

(a) Identify and discuss the 4 'risk-processes'. (8)

(b) As project manager, what methods would you apply to counteract these risks that you have identified for your project? (17) [25]

Section A: 30 marks
Section B: 15 marks
Section C: 30 marks
Section D: 25 marks
TOTAL: 100 MARKS