	UNIVERSITY OF RUHUNA FACULTY OF MANAGEMENT AND FINANCE	No. of Pages : 06 No. of Questions: 06 Total Marks :70
	BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE 3000 LEVEL FIRST SEMESTER END EXAMINATION – AUGUST 2022	<i>Three Hours</i>
ACC 31133- Project Management		Academic Year 2021/2022
Instructions <ul style="list-style-type: none"> ➔ Question No. 01 is compulsory. ➔ Answer only 05 questions. 		

Question 01

ABC company has signed an agreement to construct a housing scheme where the company can receive an additional lump sum of Rs. 250,000 if the project is completed within 16 weeks. For each week of delay, the company has to pay a penalty of Rs. 50,000 per week.

Activity	Predecessors	Duration (Weeks)
A	None	1
B	A	2
C	B	2
D	C	5
E	C	3
F	C	4
G	D, E, F	1
H	G	2
I	F, G	1
J	H, I	2

- i. Draw the network diagram for this project using Activity on Node (AON) approach and complete the forward and backward pass calculations. (04 Marks)
- ii. Indicate the critical path and the duration of this project. (02 Marks)
- iii. Comment on the sensitivity of the network schedule. (01 Marks)
- iv. "The company has to bear a total penalty of Rs. 100,000". Do you agree with this statement? Justify your answer. (01 Marks)
- v. Briefly explain what is meant by Total Slack. (01 Marks)
- vi. Differentiate between burst activities and merge activities while referring to the network diagram of the aforementioned housing scheme project. (02 Marks)
- vii. Briefly explain three reasons why developing a network diagram for a project is important. (03 Marks)

(14 Marks)

Question 02

Three-time estimates for each activity have been made for a particular project.

Activity	Optimistic time	Most likely time	Pessimistic time	EF	LS	Slack
1-2	4	7	10			
1-3	2	5	8			
1-4	1	3	5			
2-5	2	4	12			
2-6	0	0	0			
3-6	1	7	13			
4-6	3	4	5			
4-8	2	5	8			
5-7	3	7	11			
5-8	0	0	0			
7-8	2	4	6			
6-8	1	4	4			
8-9	2	4	8			

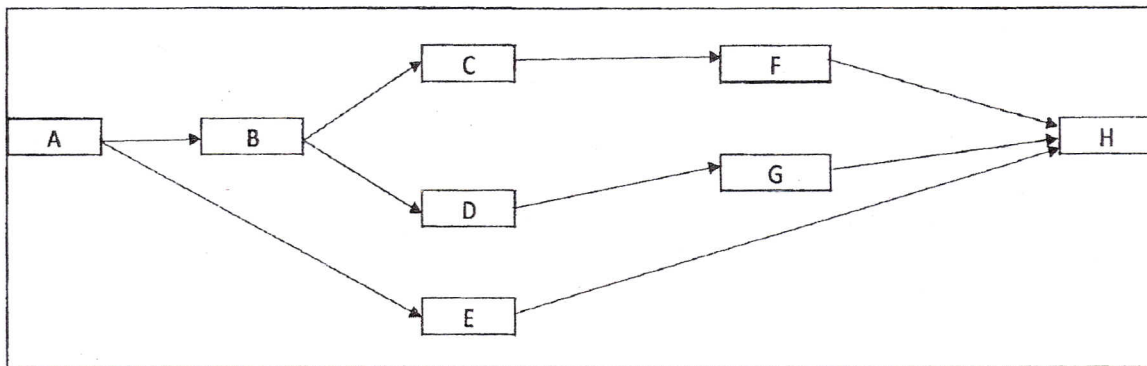
- i. Calculate the weighted average activity times for each activity to the nearest whole number. (02 Marks)
 - ii. Draw the network diagram for this project using the Activity on Node (AON) approach and mark the critical path on the network diagram. (03 Marks)
 - iii. Calculate total standard deviation for the total project. (02 Marks)
 - iv. Calculate EF, LS and total slack for each activity. (03 Marks)
 - v. Calculate the probability of completing this project within 25 days and 30 days separately. (02 Marks)
 - vi. Calculate the scheduled time separately for a probability of 99% and 95%. (02 Marks)
- (14 Marks)**

Question 03

- i. Briefly explain the difference between a project and a program using a suitable example. (03 Marks)
 - ii. List six components of the project scope checklist. (03 Marks)
 - iii. Explain three factors that influence the quality of estimates. (06 Marks)
 - iv. List four benefits of risk management. (02 Marks)
- (14 Marks)**

Question 04

- i. List four reasons for having imposed project duration dates. (02 Marks)
- ii. Use the information contained below to reduce the schedule until you reach the crash point of the network by compressing one day per move using the least cost method. Assume that the total indirect cost for the project is Rs. 2,000 and there is a savings of Rs. 100 per day reduced.
 - a) For each move, identify what activity(ies) was crashed and calculate the total direct, total indirect, and total project costs. (10 Marks)
 - b) What is the optimum cost-time schedule for the project? (02 Marks)



Activity	Cost slope	Maximum crash time	Normal	
			Time (Days)	Cost (Rs.)
A	100	1	2	150
B	80	1	3	100
C	60	1	2	200
D	40	1	5	200
E	40	2	5	200
F	40	2	3	150
G	20	1	5	200
H	0	0	1	200

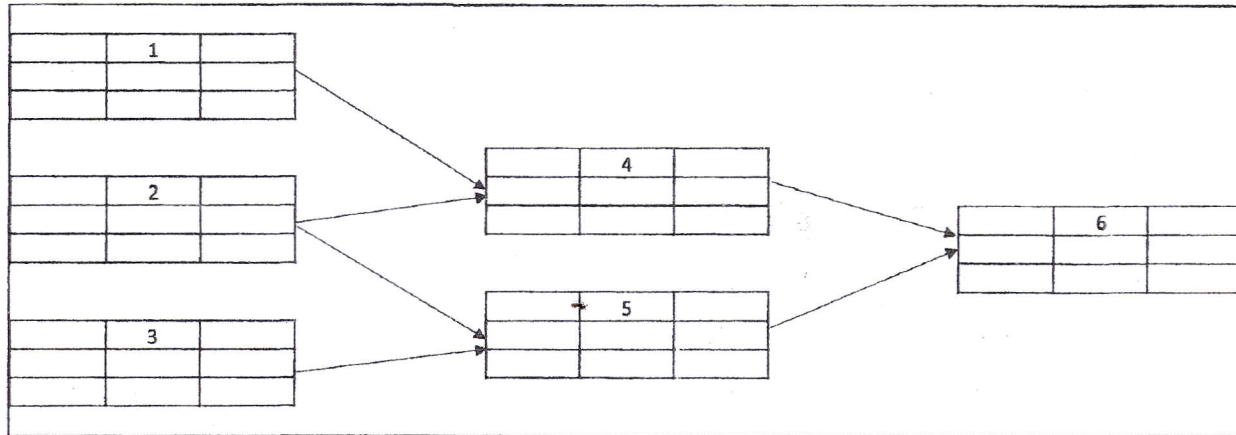
(14 Marks)

Question 05

Assume that the following project is experiencing a human resource constraint since only three persons are available per day.

Prepare;

- i. Resource loading chart (02 Marks)
- ii. Resource leveling chart (12 Marks)



Activity	Predecessor	Duration	Resource Requirement (Persons)
1	None	6	2
2	None	4	1
3	None	7	1
4	1,2	8	1
5	2,3	4	2
6	4,5	1	2

(14 Marks)

Question 06

The following labor hours data have been collected for a particular project for periods 1 through 11.

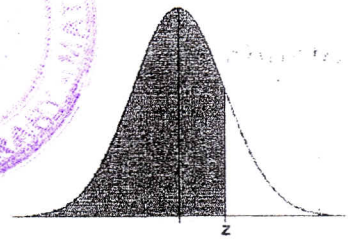
Activity	Baseline budget needs- Labor hours Rs. ('00)											% Completed-Ending period 05	Actual cost Rs. ('00)-Ending period 05	
	Total Planned Value (PV) Rs. ('00)	Time period												
		1	2	3	4	5	6	7	8	9	10			11
A	40	20	20										Finished	50
B	21			14	7								Finished	30
C	75			10	10	20	8	12	15				50	45
D	62			20	10	13	11	8					70	50
E	32					10	10	6	6				30	15
F	30					7	7	8	8				22	10
G	20									10	10		0	0
H	20											20	0	0

- i. Prepare status report for ending period 05. Include Earned Value (EV), Planned value (PV), Cost Variance (CV), Scheduled Variance (SV), Cost Performance Index (CPI), Scheduling Performance Index (SPI), and To complete Performance Index (TCPI). (12 Marks)
- ii. What is your assessment of the project at the ending period 05 based on the above calculations?

(02 Marks)

(14 Marks)

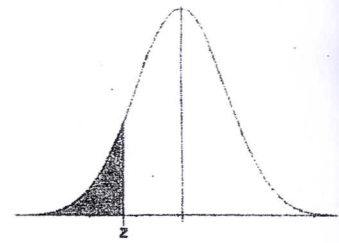
Standard Normal Cumulative Probability Table



Cumulative probabilities for POSITIVE z-values are shown in the following table:

z	0.00	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
0.0	0.5000	0.5040	0.5080	0.5120	0.5160	0.5199	0.5239	0.5279	0.5319	0.5359
0.1	0.5398	0.5438	0.5478	0.5517	0.5557	0.5596	0.5636	0.5675	0.5714	0.5753
0.2	0.5793	0.5832	0.5871	0.5910	0.5948	0.5987	0.6026	0.6064	0.6103	0.6141
0.3	0.6179	0.6217	0.6255	0.6293	0.6331	0.6368	0.6406	0.6443	0.6480	0.6517
0.4	0.6554	0.6591	0.6628	0.6664	0.6700	0.6736	0.6772	0.6808	0.6844	0.6879
0.5	0.6915	0.6950	0.6985	0.7019	0.7054	0.7088	0.7123	0.7157	0.7190	0.7224
0.6	0.7257	0.7291	0.7324	0.7357	0.7389	0.7422	0.7454	0.7486	0.7517	0.7549
0.7	0.7580	0.7611	0.7642	0.7673	0.7704	0.7734	0.7764	0.7794	0.7823	0.7852
0.8	0.7881	0.7910	0.7939	0.7967	0.7995	0.8023	0.8051	0.8078	0.8106	0.8133
0.9	0.8159	0.8186	0.8212	0.8238	0.8264	0.8289	0.8315	0.8340	0.8365	0.8389
1.0	0.8413	0.8438	0.8461	0.8485	0.8508	0.8531	0.8554	0.8577	0.8599	0.8621
1.1	0.8643	0.8665	0.8686	0.8708	0.8729	0.8749	0.8770	0.8790	0.8810	0.8830
1.2	0.8849	0.8869	0.8888	0.8907	0.8925	0.8944	0.8962	0.8980	0.8997	0.9015
1.3	0.9032	0.9049	0.9066	0.9082	0.9099	0.9115	0.9131	0.9147	0.9162	0.9177
1.4	0.9192	0.9207	0.9222	0.9236	0.9251	0.9265	0.9279	0.9292	0.9306	0.9319
1.5	0.9332	0.9345	0.9357	0.9370	0.9382	0.9394	0.9406	0.9418	0.9429	0.9441
1.6	0.9452	0.9463	0.9474	0.9484	0.9495	0.9505	0.9515	0.9525	0.9535	0.9545
1.7	0.9554	0.9564	0.9573	0.9582	0.9591	0.9599	0.9608	0.9616	0.9625	0.9633
1.8	0.9641	0.9649	0.9656	0.9664	0.9671	0.9678	0.9686	0.9693	0.9699	0.9706
1.9	0.9713	0.9719	0.9726	0.9732	0.9738	0.9744	0.9750	0.9756	0.9761	0.9767
2.0	0.9772	0.9778	0.9783	0.9788	0.9793	0.9798	0.9803	0.9808	0.9812	0.9817
2.1	0.9821	0.9826	0.9830	0.9834	0.9838	0.9842	0.9846	0.9850	0.9854	0.9857
2.2	0.9861	0.9864	0.9868	0.9871	0.9875	0.9878	0.9881	0.9884	0.9887	0.9890
2.3	0.9893	0.9896	0.9898	0.9901	0.9904	0.9906	0.9909	0.9911	0.9913	0.9916
2.4	0.9918	0.9920	0.9922	0.9925	0.9927	0.9929	0.9931	0.9932	0.9934	0.9936
2.5	0.9938	0.9940	0.9941	0.9943	0.9945	0.9946	0.9948	0.9949	0.9951	0.9952
2.6	0.9953	0.9955	0.9956	0.9957	0.9959	0.9960	0.9961	0.9962	0.9963	0.9964
2.7	0.9965	0.9966	0.9967	0.9968	0.9969	0.9970	0.9971	0.9972	0.9973	0.9974
2.8	0.9974	0.9975	0.9976	0.9977	0.9977	0.9978	0.9979	0.9979	0.9980	0.9981
2.9	0.9981	0.9982	0.9982	0.9983	0.9984	0.9984	0.9985	0.9985	0.9986	0.9986
3.0	0.9987	0.9987	0.9987	0.9988	0.9988	0.9989	0.9989	0.9989	0.9990	0.9990
3.1	0.9990	0.9991	0.9991	0.9991	0.9992	0.9992	0.9992	0.9992	0.9993	0.9993
3.2	0.9993	0.9993	0.9994	0.9994	0.9994	0.9994	0.9994	0.9995	0.9995	0.9995
3.3	0.9995	0.9995	0.9995	0.9996	0.9996	0.9996	0.9996	0.9996	0.9996	0.9997
3.4	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9998

Standard Normal Cumulative Probability Table



Cumulative probabilities for NEGATIVE z-values are shown in the following table:

z	0.00	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
-3.4	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0002
-3.3	0.0005	0.0005	0.0005	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0003
-3.2	0.0007	0.0007	0.0006	0.0006	0.0006	0.0006	0.0006	0.0005	0.0005	0.0005
-3.1	0.0010	0.0009	0.0009	0.0009	0.0008	0.0008	0.0008	0.0008	0.0007	0.0007
-3.0	0.0013	0.0013	0.0013	0.0012	0.0012	0.0011	0.0011	0.0011	0.0010	0.0010
-2.9	0.0019	0.0018	0.0018	0.0017	0.0016	0.0016	0.0015	0.0015	0.0014	0.0014
-2.8	0.0026	0.0025	0.0024	0.0023	0.0023	0.0022	0.0021	0.0021	0.0020	0.0019
-2.7	0.0035	0.0034	0.0033	0.0032	0.0031	0.0030	0.0029	0.0028	0.0027	0.0026
-2.6	0.0047	0.0045	0.0044	0.0043	0.0041	0.0040	0.0039	0.0038	0.0037	0.0036
-2.5	0.0062	0.0060	0.0059	0.0057	0.0055	0.0054	0.0052	0.0051	0.0049	0.0048
-2.4	0.0082	0.0080	0.0078	0.0075	0.0073	0.0071	0.0069	0.0068	0.0066	0.0064
-2.3	0.0107	0.0104	0.0102	0.0099	0.0096	0.0094	0.0091	0.0089	0.0087	0.0084
-2.2	0.0139	0.0136	0.0132	0.0129	0.0125	0.0122	0.0119	0.0116	0.0113	0.0110
-2.1	0.0179	0.0174	0.0170	0.0166	0.0162	0.0158	0.0154	0.0150	0.0146	0.0143
-2.0	0.0228	0.0222	0.0217	0.0212	0.0207	0.0202	0.0197	0.0192	0.0188	0.0183
-1.9	0.0287	0.0281	0.0274	0.0268	0.0262	0.0256	0.0250	0.0244	0.0239	0.0233
-1.8	0.0359	0.0351	0.0344	0.0336	0.0329	0.0322	0.0314	0.0307	0.0301	0.0294
-1.7	0.0446	0.0436	0.0427	0.0418	0.0409	0.0401	0.0392	0.0384	0.0375	0.0367
-1.6	0.0548	0.0537	0.0526	0.0516	0.0505	0.0495	0.0485	0.0475	0.0465	0.0455
-1.5	0.0668	0.0655	0.0643	0.0630	0.0618	0.0606	0.0594	0.0582	0.0571	0.0559
-1.4	0.0808	0.0793	0.0778	0.0764	0.0749	0.0735	0.0721	0.0708	0.0694	0.0681
-1.3	0.0968	0.0951	0.0934	0.0918	0.0901	0.0885	0.0869	0.0853	0.0838	0.0823
-1.2	0.1151	0.1131	0.1112	0.1093	0.1075	0.1056	0.1038	0.1020	0.1003	0.0985
-1.1	0.1357	0.1335	0.1314	0.1292	0.1271	0.1251	0.1230	0.1210	0.1190	0.1170
-1.0	0.1587	0.1562	0.1539	0.1515	0.1492	0.1469	0.1446	0.1423	0.1401	0.1379
-0.9	0.1841	0.1814	0.1788	0.1762	0.1736	0.1711	0.1685	0.1660	0.1635	0.1611
-0.8	0.2119	0.2090	0.2061	0.2033	0.2005	0.1977	0.1949	0.1922	0.1894	0.1867
-0.7	0.2420	0.2389	0.2358	0.2327	0.2296	0.2266	0.2236	0.2206	0.2177	0.2148
-0.6	0.2743	0.2709	0.2676	0.2643	0.2611	0.2578	0.2546	0.2514	0.2483	0.2451
-0.5	0.3085	0.3050	0.3015	0.2981	0.2946	0.2912	0.2877	0.2843	0.2810	0.2776
-0.4	0.3446	0.3409	0.3372	0.3336	0.3300	0.3264	0.3228	0.3192	0.3156	0.3121
-0.3	0.3821	0.3783	0.3745	0.3707	0.3669	0.3632	0.3594	0.3557	0.3520	0.3483
-0.2	0.4207	0.4168	0.4129	0.4090	0.4052	0.4013	0.3974	0.3936	0.3897	0.3859
-0.1	0.4602	0.4562	0.4522	0.4483	0.4443	0.4404	0.4364	0.4325	0.4286	0.4247
0.0	0.5000	0.4960	0.4920	0.4880	0.4840	0.4801	0.4761	0.4721	0.4681	0.4641