

International Islamic University Chittagong
 Department of Business Administration
 Program: BBA, Mid-Term Examination, Spring-2023
 Course Title: **Project Management**, Couse Code: **FIN4704**

Time: 1.5 Hours

Full Marks: 30

[Answer 3 questions of the following Questions]

Questions			Marks	CLO	H/L																															
1	a	Define project. How it is differentiated from program?	2	CL01	L																															
	b	Discuss project planning by objective	4	CLO1	H																															
	c	How McKinsey 7S Framework does helps project manager to manage the project?	4	CLO1	H																															
2	a	Critically demonstrate the relationship among the triple constants of Project.	3	CLO1	L																															
	b	Suppose you are requested to submit a feasibility report for constructing new BBA building. How would you prepare this for the competent authority of IIUC?	4	CLO2	H																															
	c	Why is for project proposal? Explain the technical analysis of the feasibility study of a project.	3	CLO1	L																															
3	a	Between Net present value and Internal Rate of Return which technique is suitable for taking project selection decision? Why?	3	CLO1	L																															
	b	<p>Finley Square, a real estate developer in Chittagong, contemplating to avail one of the two projects, project Rose and Project Lily.</p> <p>You are a financial analyst and you are given the following information relating to project Rose -</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">NPV</th> <th style="text-align: center;">PBP</th> <th style="text-align: center;">IRR</th> <th style="text-align: center;">BCR</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$4600</td> <td style="text-align: center;">3.78 years</td> <td style="text-align: center;">9.5 %</td> <td style="text-align: center;">1.12</td> </tr> </tbody> </table> <p>You are also given the following information of project Lily -</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Capital</th> <th style="text-align: center;">Operating cost(other than depreciation)</th> <th style="text-align: center;">Revenue</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">\$ 120000</td> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> </tr> <tr> <td style="text-align: center;">1</td> <td></td> <td style="text-align: center;">\$6,400</td> <td style="text-align: center;">\$47500</td> </tr> <tr> <td style="text-align: center;">2</td> <td></td> <td style="text-align: center;">7100</td> <td style="text-align: center;">49700</td> </tr> <tr> <td style="text-align: center;">3</td> <td></td> <td style="text-align: center;">8600</td> <td style="text-align: center;">51600</td> </tr> <tr> <td style="text-align: center;">4</td> <td></td> <td style="text-align: center;">9300</td> <td style="text-align: center;">56000</td> </tr> </tbody> </table> <p>The useful life of project Lily is 4 years and the fixed assets be depreciated as per straight line method. At the end of the project Shangu the fixed assets of the project are sold for \$ 21000. The corporate tax rate is 41% in the Bangladesh. Finley calculated its overall cost of capital is 10%.</p> <p>As a financial analyst you are requested to advice Finley regarding one project selection between Project Rose and Project Lily with the above mentioned techniques of project selection.</p>	NPV	PBP	IRR	BCR	\$4600	3.78 years	9.5 %	1.12	Year	Capital	Operating cost(other than depreciation)	Revenue	0	\$ 120000	1		\$6,400	\$47500	2		7100	49700	3		8600	51600	4		9300	56000	7	CLO3
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OR						
a	Discuss the criteria for project selection models.			3	CLO1	L
b	Suppose you are a concern person to select a project. Which project you will consider? Below are the cash flows information related to two investment projects.			7	CLO3	H
		Project -1	Project -2			
A	Investment cost	Tk. 39, 700	Tk. 39, 700			
B	Net cash Inflows					
	Year 1	Tk. 11500	Tk. 15350			
	Year 2	Tk. 11500	Tk. 17400			
	Year 3	Tk. 11500	Tk. 18750			
	Year 4	Tk. 11500	Tk. 17200			
<p>Compute and Comments: Payback Period, Net Present Value, Benefit Cost Ratio, Accounting Rate of Return and Internal Rate of Return (using 8.5% discount rate).</p>						