International Islamic University Chittagong

Department of Economics & Banking

Semester Ending Examination, Autumn-2022 **Program:** BSS (Hons) in Economics & Banking

Course Code: FIN-3601 **Course Title:** Project Management

Time: 2 hours 30 minutes **Full Marks: 50**

[Answer the following questions. Figures in the right margin indicate full marks.]

QN	Description of Questions	Marks	CLOs & PLOs	Cognitive learning
1(a).	Basundra Group is going to take several projects in Mirsarai Economic Zone in upcoming year. As a program coordinator you have been assigned to set up an organizational structure. Propose a organizational structure by highlighting why this structure should be proposed.	5	CLO 4 & PLO 3	Remembering
1(b).	In line with the above question how will you recruit project manager for Basundra Group?	5		Evaluating
2(a).	As a project finance manager how will you collect fund for the project?	3	CLO 2 & PLO 2	Evaluating
2(b).	Suppose the details of cost and revenues of Muradpur Flyover are as follows:	7		Evaluating

S/N	Items	Amount in BDT
1	Bricks	300,000
	Cement	250,000
	Wages of the workers	150,000
	Office Expenses	100,000
	Fuel	50,000
2	Local collection by Chittagong City Corporation	150,000
	Funding of Chittagong Development Authority	150,000
	Funding of the Government of Bangladesh	250,000
	Donation of USAID	300,000

Find out the dependency and sustainability indices of the above project and give your comments.

3(a). Consider the following project scheduling information (times given in days) — 10 — CLO 3 & PLO 5 — Understanding

Activity	*Predecessor*	*Optimistic time of completion*	*Most likely time of completion*	*Pessimistic time of completion*
A	-----	1	4	7
B	-----	2	2	2
C	A	2	5	8
D	A	3	4	5
E	C, B	4	6	8
F	D, E	0	0	6
G	F	3	6	9

You are required to do:

i. The Gantt Chart
ii. The Network
iii. All expected activity times, variances, and slacks.
iv. The critical path and expected completion time
v. If average duration of G is decrease to 3 days what will be the expected project completion time at 90% confidence level?

4(a). Suppose a company is considering a project that requires an initial capital investment of Tk. 500,000. The project has an estimated lifespan of 5 years. The annual depreciation rate for the project is 15% of the initial capital investment. The fixed cost for the project is Tk. 100,000 per year, and the variable cost per unit is Tk.10. The quantity of units expected to be produced and sold each year is 10,000 at Tk. 50. The company is subject to a tax rate of 25% on its profits. The discount rate for the project is 8%. Calculate risk by doing break even analysis. 10 CLO 3 & PLO 5 Analyzing

OR

(a). Bashundara Group is considering two mutually exclusive projects "A" and "B". Project "A" costs Tk. 30,000 and project "B" costs Tk. 36,000. You are given the NPV and probability of each project hereunder: 5 CLO 3 & PLO 5 Analyzing

Project "A"		Project "B"	
NPV (Tk.)	Probability	NPV (Tk.)	Probability
3,000	0.1	3,000	0.2
6,000	0.4	6,000	0.3
12,000	0.4	12,000	0.3
15,000	0.1	15,000	0.2

Requirements:

i. Compute the expected NPV of both projects.
ii. Calculate risk associated with both projects.
iii. Which project should be considered?

(b). Discuss the benefits of making scheduling in project management. 5 Analyzing

5(a). T K Group has appointed you as a project manager of its ongoing project and you have been asked to prepare a project history. Describe how you will perform your task. 5 CLO 4 & PLO 5 Analyzing

5(b). As project termination manager how will you terminate project in different ways? 5 Evaluating

OR

(a). Bangladesh Petroleum Corporation has given you a license to open a fuel industry in Bangladesh. What factors you will consider in operating the project? 5 CLO 4 & PLO 5 Analyzing

(b) Is it necessary to do post implementation evaluation? Give your arguments. 5 Evaluating