

**END TERM EXAMINATION**

SIXTH SEMESTER [BBA] MAY 2019

Paper Code: BBA-304

Subject: Project Planning and Evaluation

BBA(MOM)-304

BBA(TTM)-304

BBA(B&amp;I)-304

Time: 3 Hours

Maximum Marks: 75

**Note: Attempt any five questions. All questions carry equal marks.**

- Q1 Two projects X and Y have the following cash flow stream.

Year	Cash Flows (Rs 000's)	
	Project X	Project Y
0	-1680	-1680
1	+1400	+140
2	+700	+840
3	+140	+1510

The company's cost of capital is 9% required:-

- (a) Compute NPV and IRR of both projects.  
 (b) Which project would you choose and why?
- Q2 Discuss the possible sources of optimistic bias as well as pessimistic bias in cash flow estimation.
- Q3 Discuss the factors which determine 'plant location', 'plant capacity' and 'product mix' of a large scale project.
- Q4 The funds and personnel requirement is to be assessed accurately. These requirements change significantly during the course of implementation of a project. Discuss how to ensure the availability of resources as and when required.

- Q5 A project consists of 6 activities and their time estimates are shown below:

Activity	Time in weeks		
	Optimistic	Most likely	Pessimistic
1-2	1	3	5
1-3	3	6	9
2-4	2	6	4
3-4	5	9	13
2-5	3	4	5
4-5	5	8	11

Draw the network. Required:-

- (a) Determine the critical path.  
 (b) Find the standard deviation of the critical path duration.  
 (c) Compute the probability of completing the project in 20 weeks.
- Q6 The floats associated with each project task can only be derived following the completion of the forward and backward passes. Explain why this is true?
- Q7 Do you agree with the following statement: "With proper planning it is possible to eliminate most/all risks from a project"? Why or why not?
- Q8 Write a short note on **any three** of the following:-  
 (a) Means of financing a large scale project  
 (b) Preparation of projected financial statements  
 (c) Human aspects of project management  
 (d) Sensitivity of cash flows.

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