

Question Paper Code : 1754

B.B.A. (Semester-VI) Examination, 2018

PROJECT MANAGEMENT

[BBA-606]

Time : Three Hours]

[Maximum Marks : 70

Note : Answer **five** questions in all. Question **No.1** is **compulsory**. Besides this, **one** question is to be attempted from each Unit.

1. Write short notes on the following : [3x10=30]
- (a) Entrepreneurial skills of a project manager
 - (b) Market planning
 - (c) Resource leveling
 - (d) Project chart and layouts
 - (e) Project time lines
 - (f) Balance sheet and its components
 - (g) Forms of project organisation

- (h) Social cost benefit analysis
- (i) Normal time and crash time
- (j) Enterprise resource planning

UNIT-I

2. Distinguish between project and production management with the help of examples using the project and product development cycle. [10]

3. Do the demand analysis for a new product has a potential market size of 500,000. There is an older product that is similar to the the new product. $P=0.020$ and $q=0.075$, derive the industry sales of this older product (Where P is the coefficient of innovation and q is the coefficient of imitation).

What will be the estimates of sales in year 1, 2 and 3 for the new product, according to the Bass diffusion model?

[10]

UNIT-II

4. Explain the factors affecting facility location planning. What are the repercussions if location of a facility is not planned at all ? [10]

Activity	Predecessor	Duration (in days)
A	-	14
B	A	15
C	B	25
D	A	20
E	D	12
F	A	9
G	F	21
H	G	24
I	C	16
J	B,I	18
K	H	20
L	K	6
M	E	8
N	J,C	7
P	M,G	10

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5. Explain the ways in which organizations can reduce emissions that pollute the environment. How recycling help the environment ? [10]

UNIT-III

6. A company has on its books the following amounts and specific costs of each type of capital :

Type of Capital	Book value	Market value	Specific Cost
Debt	4,00,000	3,80,000	5
Preference share	1,00,000	1,10,000	8
Equity share	6,00,000		15
Retained earnings	2,00,000	12,00,000	13

Determine the weighted average Cost of capital using (a) Book value weights and, (b) Market value weights. How are the different ? Can you think of a situation where the weighted average cost of capital would be the same using either of the weights ? [10]

7. The balance sheet of ABC Ltd. at the end of year n (the year which is just over) is as follows : [10]

Liabilities	Amount	Assets	Amount (Figures in thousand)
Share Capital	100	Fixed assets	180
Reserve and Surplus	20	Investments	-
Secured loans	80	Current Assets	180
Unsecured loans	50	Cash	20
Current liabilities	90	Receivables	80
Provisions	20	Inventories	80
	360		360

The projected income statement and the distribution of earnings for year n+1 is given below :

Particulars	Amount
Sales	400
Cost of goods sold	300
Depreciation	20
Profit before interest and taxes	80
Interest	20
Profit before tax	60
Tax	30
Profit after tax	30
Dividends	10
Retained earnings	20

During the year n+1, the firm plans to raise the secured term loan of 20, repay a previous term loan to the extent of 5, and increase unsecured loan by 10. Current liabilities and provisions are expected to be remain unchanged. Further, the firm plans to acquire fixed assets worth 30 and increase its inventories by 10. Receivables are expected to increase by 15. Other assets would remain unchanged, excepting of course, cash. The firm plan to pay 10 by way of equity dividend.

Given the above information, calculate the projected cash flow statement for ABC Ltd.

UNIT-IV

8. Discuss the various quality control methods which are prevalent in project management. [10]
9. The details of activities of construction project are given below. Draw a network and determine job project completion time, critical activities and total float for each activity. [10]