

**UNIVERSITY OF ESWATINI****Department of Agricultural Economics & Management****FINAL EXAMINATION PAPER**

PROGRAMME: BSc. in Agric. Economics & Agribusiness Management Year 4
BSc. in Agronomy Year 4
BSc. in Agricultural Education Year 4

COURSE CODE: AEM 404/405

TITLE OF PAPER: PROJECT PLANNING & MANAGEMENT

TIME ALLOWED: TWO (2) HOURS

INSTRUCTION: 1. ANSWER ALL QUESTIONS
2. DO NOT WRITE ON THIS QUESTION PAPER
3. ALL ANSWERS SHOULD BE WRITTEN IN THE BOOKLET PROVIDED

DO NOT OPEN THIS PAPER UNTIL PERMISSION HAS BEEN GRANTED BY THE CHIEF INVIGILATOR

QUESTION ONE

1. Below are multiple choice questions related to project initiation and management, please pick the most appropriate answer. Each question carries 2 marks.

- 1.1 Which of the following is not a key characteristic of a project?
- A) Client
 - B) Single intended result
 - C) Multiple skills
 - D) None of the above
- 1.2 The common attributes forming framework for all projects include:
- A) Projects need structural systems and facilities
 - B) Projects need to build on existing undertaking
 - C) Projects are flexible and there is no need for coordination
 - D) All the above
- 1.3 During project initiation there are factors that should be considered except
- A) Identification and initial analysis of the business needs.
 - B) Determination of the main objective(s).
 - C) Resource analysis (people, equipment, financial; needs and availability).
 - D) Composition of the project plan.
- 1.4 The probability of the project to attract finances mainly is dependent on:
- A) Identifying the idea and selling it to donor/financing institution
 - B) Matching the project with the interests of decision makers
 - C) Advancement in relation to the new solutions solving societal problems
 - D) A small target of manageable beneficiary group
- 1.5 These statement form part of determinates of sources for financing projects, except?
- A) Make your case bigger than your institution.
 - B) Compare your institution in relation to the competitors.
 - C) Quicken all the processes of the project to satisfy the customers' needs
 - D) Follow the wishes and suggestions of the potential donor.
- 1.6. The key factors to consider when formulating the project objectives include
- A) Time, resources and quality
 - B) social and institutional needs
 - C) Knowledge, resources and time
 - D) All the above
- 1.7 The statement "activities necessary for completing the project successfully" describes one of the knowledge areas of project management: which knowledge management area fits this description.
- A) Project integration management
 - B) Project scope management
 - C) Project time management
 - D) Project quality management
- 1.8. Who owns the Project Management Plan (PMP)?
- A) The project team
 - B) The chief executive
 - C) The project manager
 - D) The donor/funding institution.

- 1.9. A Responsibility Assignment Matrix (RAM) can be used to:
- A) define the terms of reference of the project manager.
 - B) allocate work packages to those responsible for project work
 - C) define the limits of the project sponsor's responsibilities.
 - D) allocate risk management response activities to project personnel.
- 1.10. When presenting a project initiation document some sections are thought to be mandatory except?
- A) Scope definition
 - B) Constraints
 - C) Opportunity statement
 - D) Completion criteria
- 1.11. What is defined by every project requiring a variety of skills that will need to be matched to the appropriate tasks?
- A) Work breakdown matrix
 - B) Skills inventory matrix
 - C) Tasks inventory matrix
 - D) Responsibility inventory matrix
- 1.12. The statement "who on the project team is most qualified to perform each task" defines?
- A) Tasks inventory matrix
 - B) Work breakdown matrix
 - C) Responsibility inventory matrix
 - D) Skills inventory matrix
- 1.13 There are four main sets of structures that are considered in relation to project management except
- A) Knowledge areas,
 - B) Process groups,
 - C) Activities,
 - D) None of the above

[Total Mark 26]

QUESTION TWO

2. The following multiple choice questions are related to project planning, appraisal and evaluation, please pick the most appropriate answer. Each question carries 2 marks.
- 2.1 Project planning aims at determination of an optimal scheme/algorithm for project execution, the necessary information at this stage includes
- A) Determination of the main objective
 - B) Quality analysis
 - C) Resource analysis
 - D) None of the above
- 2.2 These form part of the sections that are present in almost all project plans
- A) Risk management
 - B) Basic data of the project
 - C) All the above options
 - D) None of the above option
- 2.3 The last milestone for all projects must be
- A) complete the final report
 - B) handing the final project to the client
 - C) filing and achieving project artifacts
 - D) post-project follow-up
- 2.4 Which of these statements is inappropriate to complete this phrase "the work plan is the proof that the project owners have:"
- A) achieved the objective of the project
 - B) complete understanding of the client's needs,
 - C) competent to satisfy those needs,
 - D) all the above options

- 2.5 Which of the following doesn't match the assumptions when establishing tasks
- A) Identify the person responsible to complete each task
 - B) Each task describes in detail what you propose to do,
 - C) A task may consists of more than one activity
 - D) A task may have one or more precedents
- 2.6 The planning and scheduling techniques include the follow:
- A) the time-table schedule
 - B) The log framework
 - C) program evaluation and review technique
 - D) none of the above
- 2.7. Project monitoring and evaluation is the continuous process of collecting, processing and assessing information about the:
- A) Project management
 - B) Project implementation
 - C) Project control
 - D) Project planning
- 2.8. Dlamini & Sons Ltd is considering the purchase of an asset for E120, 000. This asset will generate the following cash flows as E15,000, E25,000, E40,000, E40,000, E35,000, E30,000 for years 1, 2, 3, 4, 5, 6 respectively, the payback period would be:
- A) 3 year
 - B) 5 years
 - C) 4 years
 - D) 6 years
- 2.9 A project has an NPV of E12,632 when a discount rate of 12% is used and the same project has an NPV of (E6,935) when a discount rate of 22% is used, the actual internal rate of return of the project is:
- A) 16.5%
 - B) 28.5%
 - C) 6.5%
 - D) 18.5%
- 2.10. A project that has been tested for its feasibility has already incurred market research costs of £50,000. The actual cost of the asset is £100,000 and the project is expected to yield the following returns as Year 1- E90,000, Year 2 -E80,000, Year 3- E70,000. If the discount rate is 12% the NPV of the project will be:
- A) E44,000
 - B) E294,000
 - C) E140,000
 - D) E94,000
- 2.11. If the net present value of project A is E150, and of project B is E30, then the net present value of the combined project is:
- A) E150
 - B) E180
 - C) E150
 - D) 30
- 2.12.is one of the advantages of the payback period method of project appraisal
- A) Decision is dependent on the subjectively determined "maximum payback period"
 - B) Failure to recognize cash flows after the payback period
 - C) Viable measure of risk exposure
 - D) Fails to account for time value of money

[Total Marks 24]

QUESTION THREE

The students of who attended a Project Planning and Management course have developed an interest of starting-up an agribusiness company and have proposed several projects to start with among which include commercial cassava production, the projects requires E470, 000 as its initial set-up costs in the low-veld. The forecast net income from the project is detailed below:

Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
(E470, 000)	E80,000	E95, 000	E120, 000	E123, 500	E154, 200

(a) Calculate the projected payback time for the project to the nearest month.

(3 Marks)

(b) Calculate the Net Present Value of the project using a discount rate of 5% and comment on the attractiveness of the project.

(12 marks)

(c) Given the data in the table below, calculate the Schedule Performance Index (SPI) and Cost Schedule Index (CSI) of Project A, and describe the progress of the project in terms of predicted schedule and cost implications.

Month	BCWS	CPI	ACWP	SPI	CSI
1	100	1.25	100		
2	200	0.51	110		
3	360	0.9	115		
4	470	0.88	200		
5	590	0.98	315		

(10 Marks)

QUESTION FOUR

a) Identify, define and describe in a sentence the knowledge areas of project management.

(18 Marks)

b) Mr. Dlamini has been hired by a farmer group requesting him to outline seven documents needed as part of the project management artefacts to regulate the project execution. As a student who has completed the project management course, what should Mr. Dlamini include on the list?

(7 Marks)

*****GOOD LUCK*****