

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

DEPARTMENT OF TEXTILE TECHNOLOGY

SUPPLEMENTARY EXAMINATIONS MAY 2004

PROJECT DEVELOPMENT AND MANAGEMENT – TXT 4229

TIME: 3 HOURS

INSTRUCTIONS

Answer **ANY** five (5) questions from the six (6) provided. Each question carries 20 marks.

1. (a) How does project management fit in the overall strategy of a company?
(6 marks)
- (b) What conflict of interest may occur between the project manager and the functional managers in an organisation?
(6 marks)
- (c) How can these conflicts be managed?
(4 marks)

2. B S Textile (Pvt) Ltd, a medium sized company wishes to introduce a new range of denim products. For this purpose they have received quotations for 5 machines, whose cash flows are predicted to be as follows:

	Cost Price (US\$)	Yr 1	Yr 2	Yr 3	Yr4	Yr5
Machine A	50 000	15 000	15 000	20 000	20 000	10 000
Machine B	60 000	20 000	20 000	15 000	10 000	10 000
Machine C	55 000	15 000	10 000	10 000	15 000	10 000
Machine D	45 000	5 000	5 000	15 000	20 000	20 000
Machine E	65 000	10 000	15 000	15 000	15 000	15 000

The machines are mutually exclusive and the cost of capital is 15%. Advise the management on which machine they should purchase and why. (20 marks)

3. (a) Describe the elements of a project planning and control system.
(10 marks)
 - (b) Why is it important to have clear goals and objective in project planning?
(4 marks)
 - (c) Explain the feasibility study life-cycle
(6 marks)
4. (a) Differentiate between the incentive and non-incentive types of project contracts. For each type indicate the advantages and disadvantages.
(15 marks)

5. You have decided to go into the business of manufacturing school uniforms for primary school children and have approached a financial institution for funding of the project. The financial institution has asked you to submit a project proposal/business plan. Indicate how you would approach this requirement. (20 marks)
6. (a) What are pay-off tables in project control? (4 marks)
- (b) Quality is one of the major project constraints. Describe the process of control of quality in project management and control. (12 marks)
- (c) What is the earned value of a project? (4 marks)

END OF QUESTION PAPER