NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF GOVERNANCE AND MANAGEMENT SCIENCES

QUALIFICATION: BACHELOR OF BUSINESS MANAGEMENT HONOURS	
QUALIFICATION CODE: 07BBMA	**LEVEL: 7**
COURSE CODE: BEP712S	**COURSE NAME:** SME Projects
SESSION: NOVEMBER 2024	**PAPER:** THEORY (PAPER 1)
DURATION: 3 HOURS	**MARKS:** 100

SECOND OPPORTUNITY EXAMINATION	
EXAMINER(S)	Ms. B. NDUNGAUA Mr. V. SINALUMBU
MODERATOR	MR. KANDJIMI

INSTRUCTIONS
1. Answer ALL the questions. 2. This paper comprises of SIX questions. 3. Read all the questions carefully before answering. 4. Number the answers clearly

PERMISSIBLE MATERIAL

CALCULATOR

THIS QUESTION PAPER CONSISTS OF _4_ PAGES (Including this front page)

QUESTION 1 **[20 Marks]**

You are required to select one of two appealing project proposals. Using the below information, which project proposal should be selected?

Project A requires an investment of N$100,000 with an expected annual cash inflow of N$25,500 for five years while **project B** requires an investment of N$85,000 with an expected annual cash inflow of N$45,000 for five years as well. The expected rate of return is 12%. The company's acceptable payback period is 2 years.

1) Determining the payback periods for each of the projects? (2 marks)

2) Which of the two projects should be selected based on the payback period method? Explain your decision. (2 marks)

3) Determine the Net Present Value (NPV) of each of the projects. (14 marks)

4) Which of the two projects should be accepted based on the NPV? Explain your decision.
(2 marks)

QUESTION 2 **[20 Marks]**

Answer the questions that follow, using the information in tables 1 and 2:

Tabe 1: Total budgeted costs of project A

		Week						
	TBC	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Task 1	40	10	20	10				
Task 2	50			30	10	10		
Task 3	30					20	10	
Task 4	30						15	15
Total	150							
Commulative								

Note: Amounts are in thousands.

Table 2: Total actual costs of project A by week 4

	Week				
	1	**2**	**3**	**4**	**Total expended**
Task 1	13	20	15		48
Task 2			32	10	42
Task 3					0
Task 4					0
Total					
Commulative					

Note: Amounts are in thousands.

Questions:

a) Using table 2, how much has been spend by week 4? (2 Marks)

b) Noting that 55% of the work has been completed, calculate the cumulative earned value of this project. (3 Marks)

c) What is the variance cost at the end of week 4? (3 Marks)

d) What is the cost performance index of this project? (3 Marks)

e) Using both formulae, calculate the forecasted costs at completion. (6 Marks)

f) In order to complete the project on budget, what is the To-Completion Performance Index? (3 Marks)

QUESTION 3 **[18 Marks]**

With examples, discuss any six key competencies a project manager should have?

QUESTION 4 **[15 Marks]**

With the help of a diagram, explain the main phases of the project life cycle. What is delivered at the end of each phase? (*3 marks for the complete diagram and 3 marks for each of the four phases*)

QUESTION 5 **[5 Marks]**

Discuss two aspects should be taken into account when pricing your proposal as a contractor?

QUESTION 6 **[22 Marks]**

a) **Calculate the** Early Start (ES), Early Finish (EF), Latest Start (LS) and Latest finish (LF) times respectively. Will this project finish in 120 days? [*16 marks for start and finish times]. Present your answers in a project schedule.*

b) Calculate slack for each activity and identify the critical path. *[2 marks for slack and 2 marks for the critical path]*

c) Assuming activity F's actual completion is delayed by 5 days, when will activities G's and H's earliest start be? [2 Marks]