



**PAMIBIA 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: 08BBMH	LEVEL: 8
COURSE CODE: APM811S	COURSE NAME: ADVANCED PROJECT MANAGEMENT
SESSION: JUNE-JULY 2024	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION PAPER	
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INSTRUCTIONS
<ol style="list-style-type: none">1. There are six questions, answer any FOUR.2. Read all the questions carefully before answering.3. Number the answers clearly

PERMISSIBLE MATERIALS

1. Examination question paper
2. Examination answer sheet
3. Calculator

THIS QUESTION PAPER CONSISTS OF 3 PAGES (Including this front page)

Question 1

Explain the concept of project life cycle in project management and indicate how each stage is very important in successful project management. **[25 marks]**

Question 2

- (a) With the aid of diagrams, compare the functional project structure and the matrix project structure and demonstrate the strengths or appropriateness of each in project management. **(15 marks)**
- (b) Outline any **five (5)** reasons why projects are started **(5 marks)**
- (c) State any **five (5)** reasons why projects are terminated. **(5 marks)**

Question 3

A company is considering which of the two mutually exclusive projects it should undertake. The finance director thinks that the project with the higher NPV should be chosen, whereas the managing director thinks that the one with the higher IRR should be undertaken, especially as both projects have the same initial outlay and length of life. The company anticipates a cost of capital of 10%, and the net after tax cashflows of the projects are as follows:

Year	Project X (N\$)	Project Y(N\$)
0	(200 000)	(200 000)
1	35 000	218 000
2	80 000	10 000
3	90 000	10 000
4	75 000	4 000
5	20 000	3 000

Required:

- (a) Calculate the NPV and IRR of each project. **(12 marks)**
- (b) Advise with justification, which project the company must undertake (if either). **(5 marks)**
- (c) Discuss the advantages and disadvantages of the payback method as a project investment appraisal technique. Note: you are not required to perform any calculations for payback. **(8 marks)**

Question 4

A project has activities and duration times in days as shown in the table below:

Activities	Immediate Predecessor	Optimistic Time	Most Likely Time	Pessimistic Time
A	-	6	7	8
B	-	3	5	7
C	-	4	7	10
D	A	2	3	4
E	B	3	4	11
F	C	4	8	12
G	C	3	3	9
H	E, F	6	6	12
I	D	5	8	11
J	H, G	3	3	9

Required:

- (i) Calculate the expected (mean) time for each activity (5 marks)
- (ii) Calculate the variance for each activity (5 marks)
- (iii) Construct the project activity network diagram using either AON or AOA methodology and indicate the duration (mean time) for each activity. (8 marks)
- (iv) Identify the critical path through the network diagram. (2 marks)
- (v) What is the earliest time that the project may be completed? (3 marks)
- (vi) Identify burst activities and merge activities on the network diagram. (2 marks)

Question 5

- (a) Define the concept of project risk in project management (2 marks)
- (b) Discuss any **five (5)** categories of risk in project management (15 marks)
- (c) With the aid of appropriate examples, discuss any **four (4)** risk mitigation strategies (8 marks)

Question 6

- (a) With the aid of appropriate examples, distinguish between the bottom-up and the top-down methods of estimates in project management (10 marks)
- (b) Outline any five reasons why estimating costs, time and materials is important in project management. (5 marks)
- (c) Why do some organisations continue with failed projects? (10 marks)