



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
PGDMM/PGDSCM&L – Two Years Course

COMPUTER MARKED ASSIGNMENT (CMA) For **Jan-June 2020 semester.**

Semester 2
PAPER –9
PROJECT MANAGEMENT

Instructions:

1. Answer all 50 questions (compulsory). Each question carries 2 marks **Total : 100 Marks**
 2. Read instructions given on the OMR answer sheet and answer the questions.
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1. All of the following are characteristics of a project EXCEPT:

- a) Temporary
- b) Definite beginning and end
- c) Interrelated activities
- d) Repeats itself every month

2. A temporary endeavor undertaken to create a new product or service is called a:

- a) New product development.
- b) Project
- c) Program
- d) Enterprise

3. A manager that manages a group of related projects is called a:

- a) Project manager
- b) Project expediter
- c) Program coordinator
- d) Program manager

4. A project is:

- a) An activity with a fixed start date, but no end date
- b) A number of ongoing tasks an organisation undertakes
- c) A set of activities with fixed start and end dates
- d) A task without a budget

5. Project management is:

- a) Just like any other kind of management
- b) Done differently in the United States and Europe
- c) A job that should only be undertaken by technical staff
- d) The planning and controlling of resources for a specific time to achieve a predetermined goal

6. According to authors, the prime objectives of project management are cost, time and _____.

- a) Schedule
- b) Quality
- c) Customer Satisfaction
- d) Performance

7. The Project Planning Process starts with the:
- Development of supportive plans
 - Development of project schedule
 - Identification of project deliverables
 - Setting up of project goals and objectives
8. What is cost/benefit analysis in Project Planning?
- Estimated cash inflows compare with estimated cash outflows
 - Analysis of project capacity
 - Comparison of project cost with other alternatives
 - Evaluating the payback period of the project
9. What is the major drawback of using the bottom up estimated method?
- Inaccuracy
 - Expensive
 - Bias
 - Time consuming
10. Which method is used to assess the various perspectives of assigning resources on project activities?
- Bottom up estimating
 - Top down estimating
 - Alternative analysis
 - Published estimated data
11. The longest time an activity may take to complete is called:
- Float time
 - Optimistic time
 - Pessimistic time
 - Most likely time
12. Which of the following is not a part of resource scheduling?
- Resource Identification
 - Resource aggregation
 - Resource quantification
 - Resource allocation
13. What do horizontal bars in Gantt Chart represent?
- Time scale
 - Start and end of activities
 - Start time of activities
 - Slack in project time
14. What is 20/80 rule?
- Few are vital and many are trivial
 - The manager must concentrate on majority of the tasks
 - Only 20% activities should be undertaken
 - Only 80% activities should be undertaken

15. What is normal cost?
- a) The variable cost to complete an activity
 - b) The absolute minimum direct cost required to complete an activity
 - c) The cost of the activity at the crash time
 - d) Both direct and indirect cost required to complete an activity
16. The project schedule:
- a) Is used to calculate how long the project will take
 - b) Can only be done using a software program
 - c) Contains the lists of tasks, their duration and resources allocated
 - d) Is the same as the Gantt chart
17. A project cost estimation is done on the basis of the following document:
- a) Project plan
 - b) Project scope
 - c) Project schedule
 - d) Business plan
18. What is the %age of contingency reserve taken in case of risky projects:
- a) 10%
 - b) 20%
 - c) 25%
 - d) 30%
19. The project budget is prepared by:
- a) Cost Accountant
 - b) Financial Head
 - c) Top Level Management
 - d) Project Manager
20. Which type of budget is continually updated to add a revise budget for the next accounting period as soon as the current budget period is over?
- a) Flexible budget
 - b) Rolling budget
 - c) Functional budget
 - d) Current budget
21. Which one of the following statements is not true?
- a) The functional organisation is ideally suited to run projects
 - b) In the functional organisation, the entire organisation is structured around logically coherent units
 - c) Functional organisations give people the opportunity to specialise
 - d) Project organisations can result in a duplication of work effort
22. Which is not the duty of the Functional Manager in a Matrix Organisation?
- a) The ongoing management of the function in the organisation
 - b) To manage the project in a day-to-day sense
 - c) To take accountability for the overall success of the project
 - d) To make sure that the necessary skills are provided by the organisation

23. What does the project organisation describe about a project?

- a) Project scope
- b) Project team's roles and responsibilities
- c) Project schedule
- d) Project risk

24. The most common factors, which contribute to the risk of a project, are:

- a) Cost, schedule and scope
- b) Resources and liability
- c) A and B
- d) Ownership and contractors

25. The risk assessment process involves:

- a) Examining cost, schedule and resourcing criteria
- b) Reviewing project objectives and quality measures
- c) Building a project baseline
- d) Calculating the ETC (estimated time to completion)

26. Risk Management will only be successful in a project if:

- a) A thorough scope of work document has been prepared
- b) The project success criteria are incorporated into specific phases
- c) A risk management plan is created and monitored
- d) Risks identified have been quantified

27. Which project is considered as unit price contract?

- a) Time and material contract
- b) Cost plus award fee contract
- c) Fixed price award fee contract
- d) Fixed price incentive fee contract

28. EPC contracts are used for which type of contracts?

- a) IT projects
- b) Construction projects
- c) Manufacturing projects
- d) Sales projects

29. The level of involvement between contractual parties must be:

- a) Low
- b) Conditional
- c) Micro-managerial
- d) Balanced

30. Project controls are used to assess:

- a) Schedule
- b) Budget
- c) Quality
- d) All of the above

31. Quality control is
- Ensured by use of standards like ISO
 - The responsibility of every team member
 - Can be added at the end of the project
 - Not important in small projects
32. Which of the following is not a function of project controlling?
- Verify whether the real performance matches the planned performance
 - Allocate and schedule project resources
 - Increase deviations in the project performance
 - Monitor the team performance
33. _____ control is performed on the ongoing project activities.
- Concurrent
 - Feed forward
 - Feedback
 - Consecutive
34. In budgetary control _____.
- the budget of the previous year is used as a base for removing the excess cost.
 - only cash budget is used to control cost.
 - actual cost is compared with standard cost.
 - real capital and expenditure is monitored.
35. The following are the tools of financial control:
- Financial Statements
 - Financial Audits
 - Ratio Analysis
 - All of the above
36. Who does not typically conduct the project audit?
- PMO
 - Project manager
 - Steering committee
 - External auditor
37. How frequently can a project audit be prepared?
- Once a month
 - Once every three months
 - Once a year
 - After 3 years
38. What is a first step in terminating a project?
- Gain formal acceptance
 - Confirm achievement of deliverables
 - Complete final performance report
 - Release resources

39. Which activity will boost the confidence of the team members of a terminated project?

- a) Reassignment to a new project
- b) Celebrating success
- c) Settlement of pending dues
- d) Transferring to other departments

40. After the closing of the project, remaining stock needs to be:

- a) Restocked
- b) Resold
- c) Scrapped
- d) Reshaped

41. The process of selecting from alternative long-term investment projects is called:

- a) Net cash inflow maximization.
- b) Capital budgeting.
- c) Discounting cash inflows.
- d) Cash flow management.

42. Which of the following capital expenditure may not appear in capital budget?

- a) Investment in a new plant
- b) Investment in a new machinery
- c) Investment in IT
- d) All of the above are included in capital budget

43. A capital investment is one that

- a) has the prospect of long-term benefits.
- b) has the prospect of short-term benefits.
- c) is only undertaken by large corporations.
- d) applies only to investment in fixed assets.

44. Which type of financing will be used to lease a production plant?

- a) Long term financing
- b) Short term financing
- c) Medium term financing
- d) A mix of medium term and short term financing

45. If the project is financed through the combination of debt and equity, it is called as:

- a) Cost of capital
- b) Cost of equity
- c) Cost of debt
- d) Weighted average cost of capital

46. Pay-back period is the period when:

- a) original cost of the project is recovered
- b) the project is completed
- c) the project becomes obsolete
- d) the project becomes risky

47. Which of the following is true about Internal Rate of Return (IRR)?

- a) IRR is the rate of discount at which NPV becomes Zero
- b) IRR is the rate of interest at which NPV is negative
- c) IRR is the value at which cash inflows are greater than cash outflows
- d) IRR is not a discounting cash flow technique

48. Which of the following is not used in Capital Budgeting?

- a) Time Value of Money
- b) Sensitivity Analysis
- c) Net Assets Method
- d) Cash Flows

49. Capital Budgeting Decisions are:

- a) Reversible
- b) Irreversible
- c) Unimportant
- d) All of the above

50. _____ refers to the length of time allowed by a firm for its customers to make payment for their purchases.

- a) Holding period
- b) Pay-back period
- c) Average collection period
- d) Credit period
