



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Paper-18.A Project Management

July 2019

DATE: 27.07.2019
Time: 10.00 a.m to 1.00 p.m.

MAX. MARKS: 100
Duration : 03 hrs.

INSTRUCTIONS :

1. From Part 'A', answer four questions (Compulsory). Each sub-question carries 01 mark. **Total: Marks 32**
2. From 'B', answer any 3 out of 5 questions. Each question carries 16 marks. **Total Marks: 48**
3. Part 'C', is a case study with sub questions (Compulsory) **Total Marks: 20**
4. Use of calculator and/or mathematical table is permitted. Graph sheet can be used wherever necessary.

PART A
(Compulsory)

(1 mark each Total = 32)

Q.1. Select and write correct option. (Do not reproduce the statement)

- i) Which of the following is not an element of LOB approach
 - a) .An objective chart
 - b) A progress chart
 - c) An organization chart
 - d) A plan of operation

- ii) Which of the following are external reasons for project failure?
 - a) Absence of Skilled personnel
 - b) Inflation
 - c) Dispute with local population
 - d) All the above

- iii) Insurance is a technique for
 - a) Risk transfer
 - b) Risk Avoidance
 - c) Risk Reduction
 - d) Risk Acceptance

- iv) The process of breaking down of the entire project into distinct activities is known as
 - a) Networking
 - b) Work breakdown structure
 - c) Scheduling
 - d) Project initiation

- v) All of the following are related to Gantt chart except
 - a) It is modified bar chart
 - b) Used as a time scale
 - c) Depicts interdependencies of activities
 - d) Named after its originator

- vi) Which of the following is true about dummy activity
 - a) It does not consume time
 - b) It is used in AON network
 - c) It is used to give an aesthetic look to the diagram
 - d) Drawn with thick line

- vii) In which situation is the bargaining power of the buyers is low?
- a) Buyers are few and volumes are high b) Buyers have alternate sources of supply
 c) Value addition by seller is low d) Non of the above
- viii) Which of the following is the decision making criteria based on optimism under uncertainty
- a) Minimum criterion b) Maximax criterion
 c) Laplace criterion d) Hurwicz criterion

Q.2. Fill in the blanks. (Do not reproduce the sentence)

- a) Product life cycle has four stages whereas a Project has _____ stages in its life cycle
 b) A company's cost of capital is the weighted average of the cost of various _____ of finance.
 c) Forward and _____ methods relates to scheduling.
 d) An event in a network is defined as _____
 e) PERT a basic network technique used for project planning is _____ oriented.
 f) Shorter the payback period _____ is the project.
 g) Dummy activity does not consume _____ of the project.
 h) Critical path is the path of longest duration in the project network

Q.3. State True or False

- a. Flexibility option gives a firm flexibility to make incremental investment
 b. .Matrix organization structure is more flexible
 c. Resource leveling is done to lessen the wastage of resources
 d. Incentive contracts are usually used when there is some level of uncertainty
 e. A product has to pass through 3 stages
 f. After commissioning the project is handed over to the finance department
 g. EVA is better method of project management
 h. External environment does not affect the project management

Q.4. Match the following

- | A | B |
|----------------------------|---------------------------------------|
| 1) Zero float | a) PERT |
| 2) Morale of employees | b) LOB |
| 3) Three time estimate | c) WTO |
| 4) Planning technique | d) Value of work completed |
| 5) External environment | e) Critical activity |
| 6) Earned value | f) Internal environment |
| 7) Project closure meeting | g) Techno economic feasibility report |
| 8)DPR | h) Motivates team members |

PART B

48 marks

(Answer any three. Each question carries 16 marks)

- Q.5.** Describe in detail the various stages of the lifecycle of a project.
- Q.6.** Discuss the advantages and disadvantages of the Hierarchical, Taskforce and Matrix organizations. Which organization is better for the project management and why.
- Q.7.** What are the main components of the project cost? Discuss the various cost control techniques used for efficient project cost control.
- Q.8.** Distinguish between any two: **(2 x 8 = 16 marks)**
- a) CPM and PERT
 - b) Laplace Criterion and Maximax Criterion
 - c) Product life cycle and project life cycle
 - d) Squared network and Free float concept of crashing Techniques
- Q.9.** Write short notes on any two: **(2 x 8 = 16 marks)**
- a) Project Closure
 - b) Project Environment
 - c) DSS
 - d) Cost estimation

PART C

20 marks

Q. 10 Compulsory

The U.K National Lottery was set up with the intention of providing a fund raising tool for culture and arts. The government put out an open invitation to tender for the contract to run the £5 billion - a - year business. With costs allowed, it would be worth in the region of £ 700 million in profit per annum to the winning bidder. The bidders were consortia of companies. The project was too big and required a wide range of skills for one company. The idea was for people to be able to select their own lottery numbers, enter them at £1 a time in a range of retail stores, and for the winning number to be drawn on prime time TV once a week. The winner could receive between £1 and £10 million. The bids were submitted in February and on Wednesday 25th May 1994, the contestants were informed of the outcome. The main players in the consortium were:

Racal - to provide electronics expertise.

G. Tech - an American Lottery organizes.

De la Rue - to provide printing and security.

ICL - to provide computing expertise.

Questions:

- Q.1. Explain the 'Project Management' in view of Government/Public Undertakings
- Q2. How consortium will work like a whole unit? Explain 'Project Management' for above said Lottery Business.