



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND YEAR SECOND SEMESTER EXAMINATION FOR

DIPLOMA IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

BBA 039: PROJECT AND CONTRACT MANAGEMENT

DATE: 26/10/2020

TIME: 8:30 – 10:30 AM

INSTRUCTIONS:

Answer Question One and Any Other Two Questions.

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Explain briefly, what project risk management is about. (3 marks)
- b) Outline any FIVE benefits of good project management. (5 marks)
- c) In a project leadership situation, every project manager works with teams that are dynamic in nature. Explain FOUR phases of group transformation and development. (8 marks)
- d) Schedule Compression is a tool that helps shorten the total duration of a project by decreasing the time allotted for certain activities. Explain TWO methods that can be applied in compressing a schedule. (4 marks)
- e) Internal Rate of Return (IRR) is a method of investment appraisal for projects. Outline TWO strengths and Two weaknesses of this method. (4 marks)
- f) Explain under which circumstances it is considered appropriate to use the Cost-Plus contract.
.
(2 marks)
- g) Outline FOUR advantages of Lump Sum or Fixed Sum Contracts. (4 marks)

QUESTION TWO (20 MARKS)

- a) The Quantitative Approach is one of the project risk quantification strategies. Outline the FOUR techniques used in this strategy. (8 marks)
- b) A valid Contract is an official agreement which is enforceable in a court of law. Describe SIX important elements which are included in a valid contract. (12 marks)

QUESTION THREE (20 MARKS)

- a) Discuss the FIVE most common methods of identifying project risk. (10 marks)
- b) Discuss the Payback Period Method in project appraisal and assessment setting out its strengths and weaknesses. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain clearly with relevant examples, elements involved in project risk management. (8 marks)
- b) Discuss a project's life cycle and use an appropriate diagram to illustrate it. (12 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss the consequences that would result in case of failure to implement adequate contract management by a project manager. (10 marks)
- b) In the tendering evaluation process, financial evaluation is crucial. Examine the factors that one should consider while carrying out financial evaluation of a tender. (10 marks)