MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

………………..YEAR FIRST SEMESTER EXAMINATION FOR

DIPLOMA IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

BBA 039: PROJECT AND CONTRACT MANAGEMENT

DATE: **TIME:**

INSTRUCTIONS:

Answer Question one and any other two Questions.

QUESTION ONE (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)