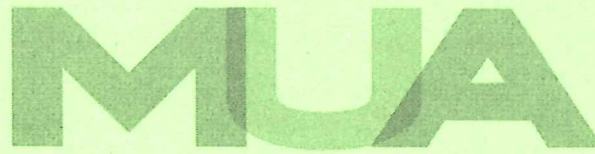


The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF ARTS IN DEVELOPMENT STUDIES

BDS 306/PMT 300 : PROJECT PLANNING, DESIGN AND IMPLEMENTATION

DATE: 1ST AUGUST 2024

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

QUESTION ONE

Read the case study below carefully and answer the questions that follow:

CRATER-TECH AUTOMOBILES

Crater-Tech automobiles designs and manufactures automotive components. For years, the company enjoyed a stable marketplace, a small but loyal group of customers and a relatively predictable environment. Though slow, annual sales continued to grow until recently hitting Kshs. 150 million. Crater-Tech products were popular because they required little major updating or yearly redesign. The stability of its market coupled with the consistency of its product, allowed Crater-Tech to forecast annual demand accurately to rely on production runs with long lead times and to concentrate on internal efficiency.

However with the advent of the African Free Trade Area Agreement (AFTAA), and other inter-national trade agreements, Crater-Tech found itself competing with auto parts suppliers based in other countries around the world. The company was thrust into an unfamiliar position: it had to become customer-focused and quicker to market with innovative products. Facing these tremendous commercial challenges, the top management decided to recreate the company as a project-based organization.

The transition, though not smooth has nonetheless paid big dividends. Top managers determined for instance, that product updates had to be much more frequent. Achieving the goal meant yearly redesigns and new technologies, which in turn meant making innovative changes in the firm's operations. In order to make these adjustments, special project teams were formed around each of the company's product lines and given a mandate to maintain market competitiveness.

At the same time, however, Crater-Tech wanted to maintain its internal operating efficiencies. Thus, all project teams were given strict cost and schedule guidelines for new product introductions. Finally the company sophisticated research and development team which is responsible for locating likely new avenues for technological change 5 to 10 years down the road. Today, Crater-Tech operates project teams not only for managing current product lines but also for seeking longer-term payoffs through applied research.

Crater-Tech has found the move to project management challenging. For one thing, employees are still rethinking the ways in which they allocate their time and resources. In addition, the firm's success rate with new projects is still less than management had hoped. Nevertheless, top managers feel that on balance, the shift to project management has given the company the operating advantage that is needed to maintain its lead over rivals in its globally competitive industry. "Project management," admits one Crater-Tech executive, "is certainly not a magic pill for success, but it has started us thinking about how we operate. As a result we are doing smarter things in a faster way around here."

Source: Project management: achieving competitive advantage 5th edition.

Jeffrey K. Pinto (2020)

Required:

- a) Define the following terms:
 - i. Project management (1 Mark)
 - ii. Project activities (1 Mark)
- b) Using the case study above, describe four characteristics of a project. (8 Marks)
- c) Briefly explain, four benefits that offers Crater-Tech Company a competitive advantage in its industry. (4 Marks)
- d) Examine four elements of the market place in which Crater-Tech operates that led the firm to believe that project management would improve its operations. (8 Marks)
- e) Describe three major constraints of operational projects such as Crater-Tech (3 Marks)

QUESTION TWO

- a) Using relevant examples, describe the following techniques as used in project appraisal:
 - i. Social analysis (3 Marks)
 - ii. Gender analysis (3 Marks)
 - iii. Technical analysis (3 Marks)
- b) Discuss any three sources of project finance. (6 Marks)

QUESTION THREE

- a) Explain the significance of a good project design. (8 Marks)
- b) With relevant examples, compare the differences between project monitoring and evaluation. (7 Marks)

QUESTION FOUR

- a) Determine the payback period for a project which requires cash outlay of Ksh 100,000 and a cash inflows of Ksh 40,000, 20,000, 25,000, 35,000 for years 1 to 4. (10 Marks)
- b) Highlight five merits of budgetary control in development projects (5 Marks)

QUESTION FIVE

- a) Assess the significance of doing stakeholder analysis (5 Marks)
- b) Discuss five project success factors. (10 Marks)

QUESTION SIX

- a) Critique four approaches commonly used in generating Work Breakdown Structure in project planning. (8 Marks)
- b) Write short notes on the following terms as used in project management:
- i. Impact (2 Marks)
 - ii. Sustainability (3 Marks)
 - iii. Capacity (2 Marks)