KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2014/2015

DIGITAL SCHOOL OF VIRTUAL AND OPEN LEARNING

SECOND SEMESTER EXAMINATION FOR CERTIFICATE IN PROJECT MANAGEMENT

BAC 011: PROJECT COST MANAGEMENT

DATE: Wednesday 29th April, 2015 **TIME: 8.00 a.m – 10.00 a.m**

INSTRUCTIONS:

The paper has FOUR questions

Answer ALL questions

QUESTION ONE:

(a) Explain **four** components of project cost management. (8 marks)

(b) Explain the following terms

i. Life cycle costing (2 marks)

ii. Value engineering (2 marks)

QUESTION TWO:

Explain the planning process, indicating the input, tools and equipment and output. (20 marks)

QUESTION THREE:

Given the following:

Yrs	Revenue	PV(r)	Cost	PV(c)
0	0		50,000	
1	3,000		35,000	
2	13,500		15,000	
3	30,000		5,000	
4	40,000		5,000	
5	50,000		5,000	
6	50,000		10,000	
7	50,000		15,000	

*INVOLVEMENT IN ANY **EXAMINATION IRREGULARITY** SHALL LEAD TO **DISCONTINUATION***

a) Calculate the present value of both revenue and cost assuming a 10% interest rate.
(4 marks)

b) Calculate the benefit-cost ratio.
(4 marks)

c) Based on the BCR and profitability alone, would you do this project?
(4 marks)

QUESTION FOUR:

Work Unit	Completion Date	Budget	Work Performed	Actual Cost
A	Jan. 31	10	10	12
B	Feb. 28	5	4	5
C	Mar 31	6	8	8
D	May 12	15	13	12
E	June 30	20	20	30
F	July 18	3	0	0
G	Aug. 30	35	0	0
H	Sept. 22	22	0	0
I	Oct. 29	12	0	0
J	Nov. 30	9	0	0

BAC = Sum of the Budgets for all of the work units = 137

a) What is Cost Variance? (2 marks)

b) What is the Schedule Variance? (2 marks)

c) What is the CPI? (2 marks)

d) What is SPI? (2 marks)

e) What is EAC? (2 marks)

f) What is the ETC? (2 marks)

g) What is the Percent Complete? (2 marks)

h) What is the percent Spent? (2 marks)

i) What can be said about this project? (2 marks)