

SOFTWARE PROJECT MANAGEMENT

Assignment 02 TUTORIAL LETTER

FOR

INF3708

Assignment 02: Due date 15 May 2021 Compulsory

Unique number:

Semester 01: 314953	Semester 02: 389122
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Marks weight: 25%

ASSIGNMENT 02 - SEMESTER 1 and 2

ASSIGNMENT 02 - COMPULSORY	
Due date	15 May 2021
Study material	Schwalbe: Chapters: 4
Total marks	15 marks = 100%
<p>Note that this is a <u>COMPULSORY assignment!</u> If you do not complete this assignment and submit it by the due date, you will NOT gain examination admission!</p> <p>If your assignment is late, please DO NOT PHONE OR E-MAIL asking for an extension but include a note in your assignment stating the reason for the late submission and we will decide whether or not it will be marked.</p>	

Instructions:

1. The following unique number has to be assigned to the assignment:

UNIQUE NUMBER: Select according to your semester
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2. Each question has only ONE correct answer.

3. This assignment consists of 15 compulsory questions.

Marks are awarded according to the number of correct answers provided by the student.

	<p>The table below gives the estimated cash flow for three different projects your company is planning on embarking. The estimate are depicted in South African Rand</p> <table><tr><th>Year</th><th>Project 1</th><th>Project 2</th><th>Project 3</th></tr><tr><td>0</td><td>- R 150 000.00</td><td>- R 160 000.00</td><td>- R 180 000.00</td></tr><tr><td>1</td><td>+ R 15 000.00</td><td>+ R 13 000.00</td><td>+ R 10 000.00</td></tr><tr><td>2</td><td>+ R 20 000.00</td><td>+ R 20 000.00</td><td>+ R 15 000.00</td></tr><tr><td>3</td><td>+ R 50 000.00</td><td>+ R 55 000.00</td><td>+ R 30 000.00</td></tr><tr><td>4</td><td>+ R 50 000.00</td><td>+ R 53 000.00</td><td>+ R 60 000.00</td></tr><tr><td>5</td><td>+ R 40 000.00</td><td>+ R 30 000.00</td><td>+ R 100 000.00</td></tr></table> <p>Table 1</p> <p>Using the information presented in the above table, perform project evaluation calculations and answer the following questions.</p>	Year	Project 1	Project 2	Project 3	0	- R 150 000.00	- R 160 000.00	- R 180 000.00	1	+ R 15 000.00	+ R 13 000.00	+ R 10 000.00	2	+ R 20 000.00	+ R 20 000.00	+ R 15 000.00	3	+ R 50 000.00	+ R 55 000.00	+ R 30 000.00	4	+ R 50 000.00	+ R 53 000.00	+ R 60 000.00	5	+ R 40 000.00	+ R 30 000.00	+ R 100 000.00
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5	+ R 40 000.00	+ R 30 000.00	+ R 100 000.00																										
Q1	<p>A project’s Net profit is calculated by:</p> <ol style="list-style-type: none">1. Adding total cash inflows to the initial investment2. Deducting total expenses from total income3. Adding total expenses to the initial investment4. Deducting total cash inflows from total cash outflows																												
Q2	<p>What is the net profit of Project 1?</p> <ol style="list-style-type: none">1. R 25 000.002. R 30 000.003. R 35 000.004. R40 000.00																												
Q3	<p>What is the difference between the net profits of Project 3 and 2?</p> <ol style="list-style-type: none">1. R10 000.002. R14 000.003. R18 000.004. R24 000.00																												
Q4	<p>A project evaluation technique that takes into account both the profitability of a project as well as the timing of the cash flow that are produced is known as ____?</p> <ol style="list-style-type: none">1. Net Present Value (NPV).2. CPM																												

	<ol style="list-style-type: none"> 3. Payback period. 4. Return on Investment (ROI)
Q5	<p>Which of the three projects have the highest return on investment?</p> <ol style="list-style-type: none"> 1. Project 1. 2. Project 2. 3. Project 3. 4. Both Project 2 and 3.
Q6	<p>Which one of the three projects would you recommend based on the Return on Investment (ROI) calculation?</p> <ol style="list-style-type: none"> 1. Project 1. 2. Project 2. 3. Project 3. 4. None of the Project.
Q7	<p>What is the ROI for project 2?</p> <ol style="list-style-type: none"> 1. 1.38%. 2. 0.36%. 3. 2.87%. 4. 3.33%
Q8	<p>What is the ROI for project 3?</p> <ol style="list-style-type: none"> 1. 0.36%. 2. 1.37%. 3. 3.33% 4. 3.89%.
Q9	<p>One major disadvantage of ROI as a financial method for selecting a project for development is _____.</p> <ol style="list-style-type: none"> 1. It has no relationship with the interest rates offered. 2. It might not be directly comparable with earning from other investment 3. It does not indicate the absolute size of the return 4. It is difficult to select an appropriate return rate
Q10	<p>Which of the following is a document used to coordinate all project planning documents and help guide project execution and control.</p> <ol style="list-style-type: none"> 1. Assumption log 2. Stakeholder registration 3. Project documentation update. 4. Project management plan

Q11	<p>Which of the one following statement is not correct?</p> <ol style="list-style-type: none">1. Project 1 would payback its investment earlier than project 2.2. Project 2 would payback its investment earlier than project 33. Project 3 would payback its investment earlier than project 1.4. Project 1 would payback its investment earlier than project 3.																														
Q12	<p>Assuming a discounted rate of 10%, which of the following depicts the correct net present value for project 2 and 3?</p> <ol style="list-style-type: none">1. -35 503.2 and -32 900.12. 55 506.5 and 36 904.3. -147 096 and -124 493.5.4. 147 096 and 124 493.5.																														
Q13	<p>Based on the calculated values of NPV, which project would you recommend between project 2 and 3?</p> <ol style="list-style-type: none">1. Project 3 because it has higher NPV2. Project 3 because it has less negative NPV.3. Project 2 because it has higher NPV.4. Project 2 because it has less negative NPV																														
Q14	<p>Supposed the cash flow income for year 5 of project 2 increased to R150 000 what discounted rate would result at an NPV of zero?</p> <ol style="list-style-type: none">1. 10.35%.2. 13.53%.3. 14.3%4. 16.37%																														
	<p>A project team you are working on for the possible selection between project 1 – 3 on table 1 decided that financial performance analysis is not the best method for selecting a project? The team wants to go for a method that would afford them the opportunity to consider many criteria as the bases for selecting project.</p> <p>Using the information on table 2 below, work the calculation and answer the follows</p> <table><tr><th>Criteria</th><th>Weight</th><th>Project 1</th><th>Project 2</th><th>Project 3</th></tr><tr><td>A</td><td>40%</td><td>50</td><td>70</td><td>25</td></tr><tr><td>B</td><td>20%</td><td>70</td><td>20</td><td>60</td></tr><tr><td>C</td><td>30%</td><td>30</td><td>40</td><td>40</td></tr><tr><td>D</td><td>10%</td><td>20</td><td>50</td><td>40</td></tr><tr><td>Weighted project score</td><td></td><td></td><td></td><td></td></tr></table> <p>Table 2</p>	Criteria	Weight	Project 1	Project 2	Project 3	A	40%	50	70	25	B	20%	70	20	60	C	30%	30	40	40	D	10%	20	50	40	Weighted project score				
Criteria	Weight	Project 1	Project 2	Project 3																											
A	40%	50	70	25																											
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C	30%	30	40	40																											
D	10%	20	50	40																											
Weighted project score																															

Q15	<p>What is the weighted score for Project 3?</p> <ol style="list-style-type: none">1. 42.2. 50.3. 38.4. 45.
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