University of Colombo, Sri Lanka

University of Colombo School of Computing

DEGREE OF BACHELOR OF INFORMATION TECHNOLOGY (EXTERNAL)

Academic Year 2022— 2^{nd} Year Examination — Semester 4

IT4306 — Information Technology Project Management

Part 2 - Structured Question Paper

(1 Hour)

To be completed by the candidate							
Index Number							

Important Instructions

- This paper has **two (2) parts**, **Part 1** and **Part 2**.
- The duration of this part (Part 2) is **1 Hour**.
- The medium of instructions and questions is English. Students should answer in the medium of English language only.
- This paper has **2 questions** on **4 pages**. Answer **both** questions.
- This paper consists of 100 marks and all the questions will carry equal marks.
- **Write your answers on and only on the space provided** on this question paper.
- Do not tear off any part of this answer book. Under no circumstances may this book (or any part of this book), used or unused, be removed from the Examination Hall by a candidate.
- Questions appear on both sides of the paper. If a page is not printed, please inform the supervisor/invigilator immediately.
- Any electronic device capable of storing and retrieving text, including electronic dictionaries and mobile phones, are **not allowed**.
- Non Programmable Calculators are allowed.
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To be completed by the examiners

1	
2	
Total	

1. Consider the following costs and benefits for the project ABC given below and fill in the blank boxes given.

[2 x 25 = 50 marks]

Discount Rate (Costs)	**12%**			Discount Rate (Benefits)	**8%**
Assume the project is completed in Year zero (0)					
		Year			
	0	**1**	**2**	**3**	**Total**
Costs (C)	240,000	50,000	50,000	60,000	
Discount Factor	1	0.89	0.79	0.71	
Discount Costs	240,000	44,500	39,500	42,600	366,600
Benefits	0	100,000	350,000	400,000	
Discount Factor	1	0.93	0.86	0.79	
Discount Benefits (DB)	0	93,000	301,000	316,000	710,000
DB - C	(240,000)	48,500	261,500	273,400	343400
Cumulative Benefits – Costs	(240,000)	(191,500)	70,000	343,400	
Return on Investment	93.7%				**NPV**

2.

a) Consider the following statements and write T if the statement is true or F if the statement is false in the space provided.

[2 x 15 = 30 marks]

Planned value in earned value management is the initial value invested by the investor	**F**
The actual cost in earned value management is the realized cost incurred for the work performed on an activity	**T**
Earned value in earned value management is the measure of work performed expressed in terms of the budget authorized for that work	**T**
Cost variance in earned value management is the earned value minus the planned value	**F**
Schedule variance in earned value management is the earned value minus the actual cost	**F**
The cost performance index in earned value management is the ratio of earned value to planned value	**F**
If a project is halfway completed, its schedule performance index is 110%, and its cost performance index is 95%, the project is considered to be ahead of schedule	**T**
If a project is halfway completed, its schedule performance index is 110%, and its cost performance index is 95%, the project is considered to be over budget	**T**
If a cost estimate for a building is made based on its location, purpose, number of square feet, and other characteristics, it is considered a parametric cost estimate	**T**
Risk utility is the amount of satisfaction received from a potential payoff	**T**
Contingency plans are predefined actions that the project team will take if an identified risk event occurs.	**T**
Management reserves are the fund held for planned risks	**F**
Whether an organization can afford to undertake a project is called the technology risk	**F**
Contingency reserve and contingency allowance are two types of funds allocated in risk management	**F**
Brainstorming is where a manager provides the idea for the group to work with	**F**

b) What are three (03) types of individuals when associated with risk-utility and potential payoff?

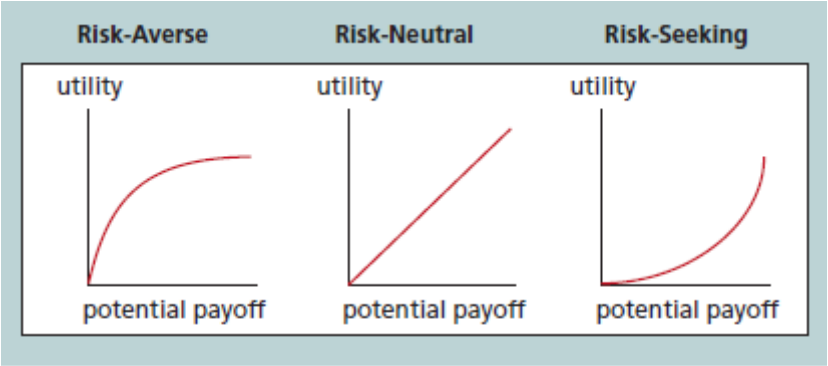
[3 x 2 = 06 marks]

1. **Risk Averse**
2. **Risk Neutral**
3. **Risk Seeking**

c) Draw the risk-utility versus the potential payoff graph for the three types of individuals mentioned in part (b) above

[14 marks]

5 + 4 + 5 = 14



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