



Total points: 40



## Test # 2 (Ch # 1, 2 & 3) Project Management BSCS Fall 2017

1. This form will be expired after 15 minutes
2. There are 17 MCQs with four options. and Total Marks are 40.
3. Once exam is submitted, it is non-editable.
4. Exam is closed book and closed neighbours. During the exam, your camera should remain on. Mic usage will be as per need.

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A person who is directly or indirectly involved with your project, or affected by your project or its outcome, is known as:

2 points

- ☐ Customer
- ☒ Stakeholder
- ☐ Team Member
- ☐ Manager

Your selection committee has determined they have the funds to apply resources to two projects. Project A will cost \$164,000. Its expected inflows are \$25,000 per quarter the first year and \$32,000 per quarter thereafter. The IRR for Project A is 23 percent. Project B has a payback period of 19 months and its IRR is 26 percent. The selection committee has decided that company resources should be applied to the most valuable project first. How should the projects be prioritized?

3 points

- ☒ Project B should be first because its IRR is higher than Project A's.
- ☐ Project B should be first because its payback period is shorter than Project A's.

- ☐ Project A should be first because its IRR value is lower than Project B's.
- ☐ Project A should be first because its payback period is shorter than Project B's.

You are the project manager for Insomniacs International. Since you don't sleep much, you get a lot of project work done. You're considering recommending a project that costs \$575,000, and expected inflows are \$25,000 per quarter for the first 2 years, and then \$75,000 per quarter thereafter. What is the payback period?

3 points

- ☐ 40 months
- ☐ 38 months
- ☒ 39 months
- ☐ 41 months

Which of the following is true?

2 points

- ☐ Discounted cash flow analysis is the least precise of the cash flow techniques as it does not consider the time value of money.
- ☐ NPV is the least precise of the cash flow analysis techniques as it assumes reinvestment at the discount rate.
- ☒ Payback period is the least precise of the cash flow analysis techniques as it does not consider the time value of money.
- ☐ IRR is the least precise of the cash flow analysis techniques because it assumes reinvestment at the cost of capital.

Your selection committee is debating between two projects. Project A has a payback period of 18 months. Project B has a cost of \$125,000 with expected cash inflows of \$50,000 the first year and \$25,000 per quarter after that. Which project should you recommend?

3 points

- ☐ Either Project A or Project B because the payback periods are equal
- ☒ Project A because Project B's payback period is 21 months
- ☐ Project A because Project B's payback period is 24 months
- ☐ Project A because Project B's payback period is 20 months

You've prepared the following analysis for two different projects for review by the selection committee. Project A's payback period is 8 months and its NPV is minus 27. Project B's payback period is 10 months and its NPV is 150. Which project should the selection committee pick?

3 points

- ☐ Project A because its NPV is lower than Project B's
- ☐ Project B because its NPV is highest and there is less than six months difference between payback periods
- ☒ Project B because its NPV is a positive value
- ☐ Project A because its payback period is shorter than Project B's payback period

Which of the following is true regarding IRR?

2 points

- ☐ IRR assumes reinvestment at the cost of capital.
- ☐ IRR is the discount rate when NPV is greater than zero.
- ☐ IRR is a constrained optimization method.
- ☒ IRR is the discount rate when NPV is equal to zero.

Which of the following is not an example of Enterprise Environmental Factor?

2 points

- ☐ Rules and Regulations
- ☒ Procedures
- ☐ Culture
- ☐ Market condition

Which of the following is not an example of Organizational Process Assets?

2 points

- ☐ Policies
- ☐ Procedures
- ☒ Government Regulation
- ☐ Lessons learned

Project managers have the highest level of authority and the most power in which type of organizational structure?

2 points

- ☒ Projectized
- ☐ Strong matrix

- ☐ Functional
- ☐ Balanced matrix

The amount of authority a project manager possesses can be related to:

2 points

- ☐ The project manager's communication skills
- ☒ The organizational structure
- ☐ The amount of authority the manager of the project manager possesses
- ☐ The project manager's influencing skills

What is one of the advantages of a functional structure?

2 points

- ☒ All employees report to one manager and have a clear chain of command.
- ☐ All employees report to two or more managers, but project team members show loyalty to functional managers.
- ☐ The organization is focused on projects and project work.
- ☐ Teams are collocated.

You are the project manager for a large construction project. The project objective is to construct a set of outbuildings to house the Olympic support team that will be arriving in your city 18 months from the project start date. Resources are not readily available as they are currently assigned to other projects. Jack, an expert crane operator, is needed for this project two months from today. Which of the following skills will you use to get Jack assigned to your project?

3 points

- ☒ Negotiation and influencing skills
- ☐ Communication and organizational skills
- ☐ Communication skills
- ☐ Problem-solving skills

You have been assigned to a project in which the objectives are to direct customer calls to an Interactive Voice response system before being connected to a live agent. You are in charge of the media communications for this project. You report to the project manager in charge of this project and the VP of marketing, who share responsibility for this project. Which organizational structure do you work in?

2 points

- ☐ Functional organization
- ☐ Weak matrix organization
- ☐ Projectized organization
- ☒ Balanced matrix organization

You have been assigned to a project in which the objectives are to expand three miles of the north-south highway through your city by two lanes in each direction. You are in charge of the demolition phase of this project, and you report to the project manager in charge of this project. You have been hired on contract and will be released at the completion of the demolition phase. What type of organizational structure does this represent?

3 points

- ☐ Functional organization
- ☐ Weak matrix organization
- ☒ Projectized organization
- ☐ Balanced matrix organization

In which type of organization does the Functional Manager manage the project budget?

2 points

- ☐ Projectized
- ☒ Weak Matrix
- ☐ Balanced Matrix
- ☐ Strong Matrix

You are project leader responsible for upgrading and installing three of your company's servers. Because of your expertise, you are also responsible for answering and resolving escalated calls from the help desk. What type of organization do you work in?

2 points

- ☒ Weak Matrix
- ☐ Projectized
- ☐ Functional
- ☐ Balanced Matrix