



## **COLLEGE OF BUSINESS AND ECONOMICS FINAL EXAMINATION**

### **DEPARTMENT OF BUSINESS MANAGEMENT**

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**MODULE** : **PROJECT CONTROL**

**CODE** : **HC1PJCL**

**DATE** : **20 NOVEMBER**

**DURATION** : **2 HOURS**

**TIME** : **08H30**

**TOTAL MARKS** : **100**

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**EXAMINER(S)** : **MR WIKUS ERASMUS**

**(EXTERNAL) MODERATOR(S)**: **MR RUDI HARMSE**

**NUMBER OF PAGES** : **2 PAGES**

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#### **INSTRUCTIONS TO CANDIDATES:**

- The question papers should be submitted after the completion of the exam.
- This is a CLOSED book assessment and NO electronic notes, laptops and tablets are allowed.
- Read the questions carefully and answer only what is asked.
- There are no optional questions. Please complete all questions.
- Number your answers clearly
- Write neatly and legibly
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

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## QUESTION 1

1.1 You received the following financial report for his project:

Activity	PV	EV	AC
Design	R5 000	R5 500	R5 600
Build A	R3 000	R2800	R2 500
Build B	R3 500	R3 500	R3 500
Deliver	R1 500	R1 900	R1 600

- Which WBS element(s) of the project is behind schedule? (5)
  - Build A
- Which elements have a positive cost variance? (5)
  - Design, Deliver
- Element “Build A” is over/under budget by \_\_\_\_\_. (5) 17%

1.2 You have a project to build 20 low-cost housing units at R50 000 each in 10 months, At the end of the 5<sup>th</sup> month, you have completed 6 houses. Calculate the following:

- Planned value (5) R250 000
- Earned value (5) R300 000
- Schedule variance (in rand) (5) R50 000
- Time variance (in days) (5) 1 month ahead
- Say the actual cost is R52 000 instead of the budgeted R50 000. Determine the actual cost and the cost variance. (5) AC R312 000, CV R12000

**(40)**

## QUESTION 2

2.1 Name and discuss the six interrelated cost activities on any project. (18)

- Pre-project forecasting
- Resource planning
- Cost estimation
- Budget allocation
- Cost control and accounting
- Retention money and project close out

2.2 Name and discuss the six of the seven cost-related activities with which the project's management will concern itself. (12)

- Cost of the resources needed to complete the project
- The cost of using the project's product

- Life Cycle costing to reduce costs over life of deliverable
- Return on investment
- Analysis of payback rates
- Cash flow vs availability of funds
- Risks that could impact cost escalation
- Size of contingency
- Risks that may require a separate management contingency

2.3 List and discuss the five factors that influence the economic feasibility of a project. (10)

- Cost forecasting
- Lifecycle costing
- Return on investment
- Joint venture partners
- Taxation and insurance (@)
- Risk and cost
- Project contract
- Cost engineering
- Risks and contingencies
- Availability of funds and cash flow
- Escalation

**(40)**

### **QUESTION 3**

3.1 Describe how the following terms relate to project management WITH AN EXAMPLE:

- Quality (5)
  - Meeting the demands, needs and expectations, both expressed and implied, of customer and stakeholders
- Quality control (5)
  - Quality control: ensuring quality metrics are measured and met. Taking corrective action if required
- Quality assurance (5)
  - Quality assurance: Inspect what you expect. Verifying quality is achieved
- Quality planning (5)
  - Discussion on how these are related and documented

**(20)**

**TOTAL [100]**