SEM 4 Project Management

Q.1 Pick up the correct statement from the following :

A. Programme Evaluation and Review Technique, is event oriented

- B. Programme Evaluation and Review Technique is not event oriented
- C. Critical Path Method is event oriented

D. Critical Path method is event oriented.

Q.2 The performance of a specific task in CPM, is known

- A. Dummy
- B. Event
- C. Activity
- D. Contract.

Q.3 Pick up the incorrect statement from the following :

- A. An activity of a project is denoted by an arrow on the net work
- B. The tail of the arrow indicates the start of the activity
- C. The head of the arrow indicates the end of the activity
- D. The arrows are drawn to scale from left to right

Q.4 The artificial activity which indicates that an activity following it, cannot be started unless the preceding activity is complete, is known as

- A. event
- B. free float
- C. dummy
- D. constant.

Q.5 The estimated time required to perform an activity, is known as

- A. event
- B. dummy
- C. duration
- D. float.

Q.6 The difference between the time available to do a job and the time required to do the job, is known as

- A. event
- B. float
- C. duration
- D. constraint.

Q.7 The time by which activity completion time can be delayed without affecting the start of succeeding activities, is known as

- A. duration
- B. total flat
- C. free float
- D. interfering float.

Q.8 For completion of a project, the critical path of the network represents

- A. minimum time
- B. maximum time
- C. maximum cost
- D. minimum cost.

Q.9 Critical path lies along the activities having total float

- A. positive
- B. negative
- C. zero
- D. same.

Q.10 The time which results in the least possible construction cost of an activity, is known

- A. normal time
- B. slow time
- C. crash time
- D. standard time.

Q.11 . The technique for establishing and maintaining priorities among the various jobs of a project, is known

- A. Event flow scheduling technique
- B. Critical ratio scheduling
- C. Slotting technique for scheduling
- D. Short interval scheduling.
- Q.12 CPM is the
- A. Time Oriented Technique
- B. Event Oriented Technique
- C. Target Oriented Technique
- D. Activity Oriented Technique
- Q.13 Slack time in PERT analysis
- A. Can never be less than zero
- B. Is minimum for critical events
- C. Can never be less than zero
- D. Can never be greater than zero

Q.14 Crashing is

- A. Reduction is duration
- B. Reduction of resources
- C. Reduction of cost
- D. Reduction in project size.
- Q.15 Capital budgeting is related to _____.
- A. long terms assets
- B. short term assets
- C. long terms and short terms assets
- D. fixed assets

Q.16 Direct cost includes cost of

- A. cost of material, equipment and manpower
- B. cost of material only
- C. cost of material and manpower
- D. cost of material, equipment, manpower and rent of offices

Q.17 For crashing the project which activity is to be crashed

- A. All Critical activities are selected for crashing
- B. Critical activity having least cost slope is selected for crashing
- C. Critical activity having highest cost slope is selected for crashing
- D. Critical activity should be equal to crashing

Q.18 Under the net present value method:

A. the interest rate is determined that equates inflows and outflows

- B. the time value of money is not taken into account
- C. inflows are discounted back to determine if they exceed outflows
- D. the basic discount rate is the internal rate of return

Q.19 The internal rate of return method:

- A. does not consider inflows after the cutoff period
- B. calculates the interest rate that equates outflows with subsequent inflows
- C. determines the time required to recoup the initial investment
- D. determines whether future benefits justify current expenditure
- Q.20 Projects with _____ are preferred
- A. Lower payback period
- B. Normal payback period
- C. Higher payback period
- D. Equal payback period

Q.21 The internal Rate of Return (IRR) criterion for project acceptance, under theoretically infinite funds is: accept all projects which have

- A. IRR equal to the cost of capital
- B. IRR greater than the cost of capital
- C. IRR less than the cost of capital
- D. IRR not equal to cost of capital

Q.22The span of time within which the investment made for the project will be recovered by the net returns of the project is known as

- A. Period of return
- B. Payback period
- C. Span of return
- D. Actual rate of return

Q.23 A profitability index (PI) of .92 for a project means that _____.

- A. the project's costs (cash outlay) are (is) less than the present value of the project's benefits
- B. the project's NPV is greater than zero
- C. the project's NPV is greater than 1
- D. the project returns 92 cents in present value for each current dollar invested (cost)

Q.24 When operating under a single-period capital-rationing constraint, you may first want to try selecting projects by descending order of their ______ in order to give yourself the best chance to select the mix of projects that adds most to firm value.

- A. profitability index (PI)
- B. net present value (NPV)
- C. internal rate of return (IRR)
- D. payback period (PBP)

Q.25 The method provides correct rankings of mutually exclusive projects, when the firm is not subject to capital rationing.

- A. profitability index (PI)
- B. net present value (NPV)
- C. internal rate of return (IRR)
- D. payback period (PBP)