

**Level 6 Professional Diploma in Procurement  
and Supply**

# **PD5 - Programme and project management**

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## **EXAM EXEMPLAR QUESTIONS**

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**QUESTIONS**

**Q1 Learning outcome: 1.0**

Propose how the effective use of project management software can help an organisation manage its projects throughout each stage of the project life cycle.

**(25 marks)**

**Q2 Learning outcome: 2.0**

(a) Analyse the Discounted Cash Flow (DCF) technique for appraising large investment decisions.

**(10 marks)**

(b) A car manufacturer has decided to make a significant investment into expanding its presence in Africa by setting up a large assembly facility in Kenya. It has estimated its initial set up costs to be in the region of Kenya Shillings 6,398M.

Forecast net income from the project is detailed below:

Year 1 Kenya Shilling 1,400M

Year 2 Kenya Shilling 1,450M

Year 3 Kenya Shilling 1,550M

Year 4 Kenya Shilling 1,625M

Year 5 Kenya Shilling 1,480M.

(i) Calculate the projected payback time for the project to the nearest month.

**(3 marks)**

(ii) Calculate the Net Present Value of the project using a discount factor of 5% and comment on the attractiveness of the project.

*Discount factors at 5% are;*

*Yr 1 = 0.952, Yr 2 = 0.907, Yr 3 = 0.864, Yr 4 = 0.823, Yr 5 = 0.784*

**(12 marks)**

**Q3 Learning outcome: 3.0**

(a) Compare and contrast the project evaluation and review technique (PERT) with the critical path method (CPM).

**(15 marks)**

- (b) Using the information in **Table 1**, assuming that the project team will work a standard working week (5 working days in 1 week) and that all tasks will start as soon as possible:

Task	Description	Duration (Working Days)	Predecessor/s
A	Requirement Analysis	5	
B	Systems Design	15	A
C	Programming	25	B
D	telecoms	15	B
E	Hardware Installation	30	B
F	Integration	10	C, D
G	System Testing	10	E, F
H	Training/Support	5	G
I	Handover and Go-Live	5	H

**Table 1**

- (i) Determine the critical path of the project **(3 marks)**
- (ii) Calculate the planned duration of the project in weeks **(3 marks)**
- (iii) Identify any non-critical tasks and the float (free slack) on each. **(4 marks)**

**Q4 Learning outcome: 4.0**

Discuss the tools and techniques that project managers can use to ensure knowledge and lessons learned from previous projects are not lost, and can be shared for the benefit of future projects.

**(25 marks)**