



Strathmore
UNIVERSITY

STRATHMORE UNIVERSITY BUSINESS SCHOOL
MASTER OF MANAGEMENT IN AGRIBUSINESS
END OF SEMESTER EXAMINATION
MMA 8105: PROJECT PLANNING & MANAGEMENT IN AGRIBUSINESS

Date: 13th August 2024

Time: 3 Hours

Instructions

1. This examination consists of FIVE questions.
2. Answer Question ONE and ANY OTHER THREE questions.
3. You are expected to work independently

Problem 1 [compulsory] (25%)

- a) A project can be defined by its unique characteristics that distinguish it from routine day to day work. Briefly explain any two project characteristics (**4marks**)
- b) Briefly explain why it is important for the Project Manager to possess knowledge and skills on how to “crash project activities”. (**4 marks**)

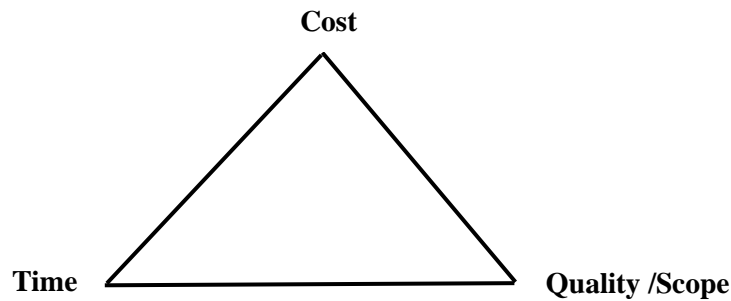
c) Consider the following information regarding a project concerning an initial public offering (IPO) in an Agribusiness project.

Activity	t_e (weeks)	Preceding activities
a	3	None
b	1	None
c	3	a
d	4	a
e	4	b
f	5	b
g	2	c, e
h	3	f

- i) Draw the AON / CPM network **(3 marks)**
- ii) When will the IPO offering be available (completion of the project)? **(3 marks)**
- iii) What will be the effect on the project if activity “e” (approvals) takes 2 extra weeks? **(3marks)**
- iv) If the offering for the IPO has to be available 1 week earlier than the time as indicated in (ii) above, and given that activities *d*, *g*, *e* and *h* can all be crashed by 1 week at the same cost for each activity (which is lowest cost for all the activities), which activity would you choose to crash by 1 week so as to avail the IPO offer one week earlier than anticipated and why? **(3marks)**
- v) What managerial precautions should be taken into account while crashing a project? **(5 marks)**

Problem 2 (25%)

- a) The project environment is stressful, and Project Managers often come under immense pressure to manage the project “Time” and “Cost” elements to the detriment of the overall project quality. Figure 1 depicts the so called “triple constraint” that is ever present in the project environment. Explain how pressure on “Time” and “Cost” may compromise “Quality” in a project. **(5 marks)**



- b) In most Project environments, project team members build a lot of contingency (fat) reserves on estimates of activity time, then waste it. Indicate and explain 2 ways in which Project time is wasted. **(6 marks)**
- c) Illustrate with a sketch, and explain how a project buffer may be used to protect the project time. **(5 marks)**
- d) You have been assigned as the Project Manager tasked with planting trees on the plot of land behind the company’s new coffee factory. The plan is as follows: -

30 batches of 20 trees (600 trees) to be planted, 5 batches per day (100 trees). The budgeted cost per tree is Kshs. 290 (Kshs. 250 per baby tree plus Kshs. 40 for the slow release fertilizer).

The total budget provided is Kshs. 174,000. After the first day only 70 trees have been planted (the team hit a patch with stones that had to be removed before the trees could be planted). The total cost spent was Kshs 35,000 for the first day (the team had to rent a special machine to help remove the stones which cost Kshs 14,700 for the day). You are required to report to the steering committee on performance and determine how much time and cost remain. Required: Using the various Earned Value Management (EVM) formulas, determine the following for inclusion into the Project report;

- i) Cost Variance at the end of day one (amount in Ksh.) **(3 Marks)**
- ii) Schedule Variance (amount in Ksh.) **(3 Marks)**
- iii) Estimated cost at project completion (Ksh.) **(3 Marks)**

Problem 3 (25%)

Project stakeholders need to be effectively managed, and failure to recognize their potential power at the projects strategic level may lead to serious problems at the advanced stages of project planning and implementation.

- a) Briefly discuss who you understand “Project Stakeholders” to be, giving examples from any project you are familiar with. **(6 marks)**
- b) Using a practical project example that you are familiar with, describe how you would develop a Project Stakeholder Management Strategy, indicating the main issues / questions you will address. **(10 Marks)**
- c) During a negotiation process with a contractor outsourced by your organization to carry out a major project, you suspect that the contractor is involved in “*front loading*”.

Briefly explain what you understand by the term “*front loading*” as applied here and in reference to the contractor, and how you would go about correcting this anomaly with the contractor during the negotiation process. **(6 Marks)**

- d) What would be the risk to your project if you were to allow the contractor to get away with the front loading as described in “c” above? **(3 Marks)**

Problem 4 (25%)

- a) An Agribusiness firm is considering funding a project that will cost \$500,000 to implement. The project is estimated to have annual cash flows of \$75,000. The company is very concerned about their cash flows, and would prefer projects that payback within five years. Using the payback period method, advice the company on whether to go ahead with the project or not **(5 Marks)**.
- b) Project scope statement is an important document in a project. Describe what it is, and how you can use it to discourage scope creep in a project **(5 Marks)**.
- c) Explain what mutually exclusive projects are? Give a practical example in Agribusiness. **(7 Marks)**
- d) A critical part of your role as a Project Manager or a Manager in your business is Communication. In some businesses within the Agricultural sector, you may have to work with and communicate with employees with lower level of skills. Discuss and explain how you can communicate effectively with such employees. **(8 Marks)**

Problem 5 (25%)

- a) In Agribusiness projects, use of contractors may at times be beneficial to the project as compared to using permanent staff. List and explain five ways in which use of contractors could be of benefit to the project. **(5 marks)**

- b) In an Agribusiness project being undertaken, fertilizer, has to be procured and supplied to the project, and is a key component for the success of the project. Discuss and explain how you would ensure quality of the fertilizer for the project. **(5 marks)**

- c) There is so much talk recently of how African countries should do value addition especially in Agribusiness in order to reap maximum benefits from its produce. Discuss and explain how you would undertake a value addition project in Agribusiness. **(6 marks)**

- d) In a project that you are undertaking, it has become necessary to issue a variation notice to the contractor in the course of execution of the agreed works. Explain 2 precautions you would undertake to ensure the variation instructions you issue are well understood by the contractor? **(5marks)**

- e) Explain and elaborate 4 ways you may employ to try and shorten project duration **(4marks)**