



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**SECOND YEAR SECOND SEMESTER EXAMINATION FOR
DIPLOMA IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT**

CITY CAMPUS- DAY

ADB 0134: PROJECT AND CONTRACT MANAGEMENT

Date: 25th November, 2016

Time: 9.00 – 12.00pm

INSTRUCTIONS:

- Answer Question ONE (Compulsory) and any other TWO.
- Show all your workings clearly.

QUESTION ONE (30 MARKS) COMPULSORY

- a) Explain FIVE characteristics of Procurement Projects. (10 marks)
- b) Evaluate the Accounting Rate of Return method of appraising procurement projects. (6 marks)
- c) i) Explain the Payback period method of project appraisal. (3marks)
- ii) Calculate the payback periods for the following projects each requiring a cash outlay of Kshs 100,000. (7marks)

Year	Project X	Cash Inflows	
		Project Y	Project Z
1	KES 2,500	KES 4,000	KES 1,000
2	2,500	3,000	2,000
3	2,500	2,000	3,000
4	2,500	1,000	4,000
5	2,500	0	0

- ii) Suggest which ones are acceptable if the standard payback period is 5 years. (2 marks)

QUESTION TWO (20 MARKS)

- a) Discuss the constraint within which project operates. (10 marks)
- b) What is project management life cycle? Explain the project management life cycle (10 marks)

QUESTION THREE (20 MARKS)

- a) Explain the essential aspect of contract management. (12 marks)
- c) Any contract incompetently performed shall automatically be considered nullified. Explain the options available to a Contractee who is caught up in such a situation. (8 marks)

QUESTION FOUR (20 MARKS)

- a) SBI International Construction Company was awarded a contract to construct a road bypass in Kisumu City. Due to the complexity of the work, they subcontracted a local construction company for part of the work.
Required;
Explain the criteria they used to select the subcontractor.
(12marks)
- b) Outline the roles of consultants in Project Environments. (8 marks)

QUESTION FIVE (20 MARKS)

Discuss the contributions of Political environment in the Project Management.
(20marks)