



MBA DEGREE EXAMINATIONS: APRIL / MAY 2023

(Regulation 2022)

Second Semester

MASTER OF BUSINESS ADMINISTRATION

P22MPB2114: Cost Management in Projects

COURSE OUTCOMES

- CO1:** Demonstrate an understanding of cost management processes namely plan cost management, cost estimation, cost budgeting, and cost control.
- CO2:** Build cost management plan, apply cost estimation techniques, and establish a cost baseline
- CO3:** Display ability to analyse the performance of the project through techniques of cost control
- CO4:** Display ability to analyse the importance of cash flow and manage the change
- CO5:** Display ability to appraise the integration of cost and value in the projects

Time: Three Hours

Maximum Marks: 100

PART A (1Q x 20 Marks = 20 Marks) Case Analysis

- 1 Case Study: CO1 K6
- Background: A non-profit organization has decided to build a new community center to provide various services to the local community. The organization has a limited budget and is looking to manage its costs effectively throughout the project life cycle. The project team consists of a project manager, a project coordinator, an architect, a construction manager, and various subcontractors.
- Question 1: Elaborate is the significance of cost management in project management, and Discuss the key concepts and emerging practices?
- Question 2: Elaborate the life cycle of cost management, and Formulate various steps that can be applied to the community center project?
- Question 3: Discuss the significance of needs identification and management in project cost management, and various tools that can be used to plan cost management?

PART B (5Q x 4 Marks = 20 Marks)

- 2 Explain any two tools for estimation for cost in estimate cost phase CO2 [K₃]
- 3 Explain the various inputs required to prepare a realistic cost estimate and explain the rationale for the inputs. CO3 [K₃]
- 4 Explain the “ S Curve” analysis technique. CO2 [K₃]
- 5 Assume that a project has a budget of \$100,000 and is scheduled to be completed in 10 months. After 6 months, the project manager reviews the project and determines the following:

Actual cost of work performed (ACWP) is \$65,000
Planned value (PV) is \$70,000
Earned value (EV) is \$60,000

Apply the CPI, SPI, CV, SV, and EAC.
- 6 Explain on the importance of cash flow in a project CO4 [K₂]

Part – C (3Q x 20 Mark = 60 marks)

Answer Any Three Questions only

- 7 Elaborate on the inputs tools and techniques and outputs in Plan cost management, cost estimation, cost budgeting and cost control CO3 [K₆]
- 8 Discuss in detail about construction firms effectively manage build costs through the application of cost estimation techniques and the establishment of a solid baseline?" CO2 [K₆]
- 9 "Explain the importance of cost control in project management and the linkage between time, cost, and project performance. Provide examples of how project managers can ensure effective cost control while maintaining high project performance." CO4 [K₅]
- 10 Explain the following terms CO5 [K₅]
a) Value Management
b) Change Management Plan and state its importance
c) Relationship between cost and value
