

2903/306

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**PROJECT AND CONTRACT
MANAGEMENT**

November 2016

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN SUPPLY CHAIN MANAGEMENT

MODULE III

BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE EXAMINATIONS

STAGE III

PROJECT AND CONTRACT MANAGEMENT

3 hours

INSTRUCTIONS TO CANDIDATES

This paper consists of SEVEN questions.

Answer any FIVE questions.

All questions carry equal marks.

Write your answers in the answer booklet provided.

Candidates should answer the questions in English.

This paper consists of 3 printed pages.

**Candidates should check the question paper to ascertain that
all the pages are printed as indicated and that no questions are missing.**

1. (a) Outline **five** aspects of a turnkey project that require monitoring during implementation. (10 marks)
- (b) Explain **five** factors that the management of an organization should consider when identifying a project to be implemented. (10 marks)
2. (a) Highlight **six** benefits that may accrue to an organization that prepares a project matrix before embarking on its implementation. (12 marks)
- (b) Explain **four** circumstances under which a public sector organization may find it appropriate to use direct procurement method when sourcing for a project contractor. (8 marks)
3. (a) Explain **five** factors that may influence a contractor's decision to request for extension of project completion duration. (10 marks)
- (b) Ombo Company Limited has adopted the matrix organizational structure in the management of its projects. Highlight **five** problems that the company may face from adopting such a structure. (10 marks)
4. (a) Highlight **four** activities that may be undertaken during project implementation phase. (8 marks)
- (b) The data given below shows the planned operational activities of a project.

Activity	Preceding Activity	Time
A	None	4 hours
B	None	2 hours
C	None	3 hours
D	A	1 hour
E	B	5 hours
F	C	6 hours
G	D and E	7 hours
H	F	1 hour
I	G and H	2 hour
J	I	3 hour

Using the data given above;

- (i) Construct a network analysis for the project. (5 marks)
- (ii) Determine the critical path for the project. (7 marks)

5. (a) Outline **five** factors that should be considered during a tender pre-qualification stage. (10 marks)
- (b) Explain **five** measures that a project manager should take to minimize cases of disputes with contractors when implementing a project. (10 marks)
6. (a) Highlight **six** risks that an organization may face when monitoring the implementation of long-term project contracts. (12 marks)
- (b) Give **four** reasons that may influence an organization to adopt the serial tendering method in its project procurement operations. (8 marks)
7. (a) Explain **five** factors that should be considered by a project manager when preparing a procurement plan for project planning. (10 marks)
- (b) Outline **five** dangers that a project organization may face from ignoring the project life cycle approach in its operations. (10 marks)

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