

UNIVERSITY OF BOLTON

OFF CAMPUS DIVISION

INSTITUTE OF DEVELOPMENT MANAGEMENT (IDM)

MSC PROJECT MANAGEMENT

SEMESTER 1 EXAMINATION 2022/23

MANAGING RISKS AND SOLVING PROBLEMS

MODULE NUMBER : PMR7002

Date: 10TH DECEMBER 2022

Time: 3 HOURS

INSTRUCTIONS TO CANDIDATES:

There are six (6) questions on this paper.

Answer any four (4) questions

All questions carry equal marks.

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SECTION A

CASE STUDY – MOMBERA UNIVERSITY

Due to a sudden increase in students applying for project management courses, the University of Mombera wants to expand their Business and management department. This growth has been driven by a government initiative to increase the number of project management graduates in the country.

The University has been seeking a suitable location to build a new complex which will consist of a lecture theatre, tutorial rooms, student accommodation, sports hall and administrative facilities. The University has stipulated that the design of the new complex must reflect the innovative image it is promoting and meet new and very challenging environmental targets. The final design will be submitted for a prestigious architectural award. Winning the award would raise the profile of the University and contribute to its strategy of becoming the leading University in its field. However, a previous attempt to win a similar award failed due to a lack of cooperation between departments. There is also a history of projects overrunning and overspending.

The local authority has stated that any new design must reflect the industrial heritage of the area. The University has employed a well-known architect to design the new complex.

An initial budget of \$150m has been allocated for the project with planned opening in 2 years for the start of the academic year. One of the local councillors has been quoted as saying that the development could create over 200 local jobs during the build and contribute over \$50m to the local economy over the next 3 years. Funding is provided by a combination of government grants (30%), University funds (50%) and a donation from a local business owner (20%).

The Local Authority has proposed a disused industrial site within 2 miles of the existing University and 1 mile away from Mombera Town Centre. The proposed site is close to a new large housing development and is connected to Mombera via an extensive network of cycle paths. The proposed site has been derelict for many years and has become a home for a wide range of wildlife. Due to its industrial past the site may contain hazardous material including asbestos and chemical waste.

Case Study continued over the page

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Case Study continued

The planned expansion of the University has attracted a lot of publicity and there is strong feeling both for and against the development. The local business community sees the increase in student population as very positive whilst local residents are concerned that the increased traffic will cause excessive congestion. In addition, a local environmental group is concerned about the impact of the development on wildlife and green space. They have also complained about the proposed closure of the adjacent cycle path during construction.

The project is in its very early stages and detailed estimates of time and costs have still to be determined.

You have recently completed your Risk and Decision Management module and have been asked to join the University's project team on a consultancy basis to help implement a robust risk management process on the project.

QUESTION 1

(Based on the case study)

- a. List 10 stakeholders in the project. **5 marks**
- b. Identify 10 risks that may occur on this project. Ensure that risks are stated using the cause – risk event – effect format. **10 marks**
- c. For two of the risks identified in your opinion:
- State who the potential owner would be. (2 marks per risk) - **4 marks**
 - Explain what could be done to respond to the risk. (3 marks per risk) – **6 marks**

Total 25 marks

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QUESTION 2

Critically appraise the components of the project lifecycle and evaluate risks associated with each phase and explain why it is necessary to understand these components in project management.

Total 25 Marks

QUESTION 3

a. The Association of Project Management (APM) has identified the following as possible methods for quantifying risks in the Africa City Shopping Mall Project.

- Decision tree / EMV,
- Monte Carlo Simulation,
- Sensitivity Analysis
- Expert judgement
- Delphi Technique

Identify the 3 most appropriate ones, critically evaluate them and recommend the best one of your 3 to the World Bank Funding Manager with justifications.

12 marks

b. You are responsible for analysing the probable outcomes of two proposed projects:

Project 1 has two expected outcomes:

Outcome A has expected earnings of \$110,000 which has an estimated probability factor of 0.2

Outcome B is expected to lose \$5,000; this has a probability factor of 0.8

Project 2 has three expected outcomes:

Outcome A - An earnings potential of \$24,000, probability factor of 70%

Outcome B – A loss of \$8,000, probability factor of 10%

Outcome C – A loss of \$20,000, probability factor of 20%

Using a suitable technique, quantify the expected outcomes of each proposed project and write a short report with your recommendation as to which project should be approved. Your report must explicitly consider risk and should include any comments you consider necessary on the limitations of the analysis as a basis for decisions.

13 marks

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QUESTION 4

a. "Many important decisions in the society are made by groups of individuals such as committees, governing bodies, juries, business partners, teams, and families."
(Ambrus, Greiner and Pathak, 2009)

Drawing on your own experience, critically evaluate the advantages and disadvantages of group decision making.

15 marks

b. Explain group decision making in the context of project management, and identify techniques that you as the project manager can use to improve group decision making.

10 marks

Total 25 Marks

QUESTION 5

a. The blanket "Africa Rising" narrative led to a general lack of inability to foresee and mitigate risk on the part of many multinationals in the region. Intra-regional multinationals in Africa must now adapt to "Africa 3.0" – the emerging post-crisis African economy" (Deloitte, 2017: 1).

Identify and briefly describe **FIVE** risks associated with Africa and critically analyse with examples four of them in depth. Your analysis should include recommendations for management of the risks.

13 marks

b. **BOZE is** a company based in Botswana with operations in Zimbabwe and exports beef to the European market. The market originally comprised 28 countries. With Britain voting to exit the market (Brexit) in 2019, there are chances that such a move would affect negatively countries like Botswana and Zimbabwe despite being miles away from Europe. What are the associated risks to the beef industry in SADC in general and Botswana and Zimbabwe in particular?

12 marks

Total 25 Marks

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QUESTION 6

a. You work for a small Charity in your country. As part of a funding request, the board has been asked to provide information on their risk management strategy. They did not really understand what is being asked and so they engaged a consultant who has provided them with the following process:

Initiate, Identify, Assess, Respond

The consultant also asked about the organisation's appetite for risk but again the board did not really know what this meant.

As your manager knows that you have studied risk management she asks you to assist.

You are required to write a report that will expand and explain the risk management process into a more user-friendly format, and to explain risk attitude.

20 marks

b. Having completed your report, your manager and the board now have a better understanding of risk management and they have now asked you to come up with a strategy for communicating the process to the 500 employees and volunteers who are located across the country.

5 marks

Total 25 Marks

END OF QUESTIONS