

3306

2903/306

**PROJECT AND CONTRACT  
MANAGEMENT**

July 2017

Time: 3 hours



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE EXAMINATIONS  
STAGE III  
DIPLOMA IN SUPPLY CHAIN MANAGEMENT  
MODULE 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.**

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**Turn over**

1. (a) Utuli Manufacturers Limited have decided to organize their operational activities on a project basis. Give **five** reasons that may have influenced the firm to make such a decision. (10 marks)
- (b) Managers involved in handling projects are expected to appreciate the project cycle. Highlight the significance of this expectation. (10 marks)
2. (a) Explain **five** benefits of adopting the bottom-up approach when preparing a project plan in an organization. (10 marks)
- (b) Outline **five** circumstances under which the design and build type of tender may be appropriate for use when sourcing for potential project contractors. (10 marks)
3. (a) Explain **five** factors that may cause poor relationship between a project's client and its sub-contractors. (10 marks)
- (b) Highlight **five** measures that a project manager should take to ensure that project resources are effectively mobilized. (10 marks)
4. (a) Outline **four** activities that a project manager is expected to oversee at the project closure stage. (8 marks)
- (b) The data given below shows the planned operational activities of a project.

Activity	Preceding Activity	Time
A	None	5 days
B	None	4 days
C	A	3 days
D	A	4 days
E	B	7 days
F	B and D	5 days
G	C	8 days
H	G, F and E	2 days

Using the data given above;

- (i) Draw a Gantt Chart for the project. (5 marks)
- (ii) Determine the critical activities of the project. (7 marks)

5. (a) Alo Enterprises has decided to award a tender to the second bidder instead of the winning tender. Give **five** reasons that may have influenced the firm to take this decision. (10 marks)
- (b) A contractor hired to implement a two year project for a government entity has failed to provide progress reports on project implementation. Highlight **five** challenges that the entity may face due to the contractor's action. (10 marks)
6. (a) Explain **five** measures that a project manager should take to cushion itself from effects of changes in price of materials that may arise when implementing a long term project. (10 marks)
- (b) Highlight **five** benefits that may accrue to a county government from of using the concessioning method when tendering for the construction of a major utility facility. (10 marks)
7. (a) The management of Junga Construction Company has rejected a project plan presented by its project officer. Give **five** reasons that may account for this rejection. (10 marks)
- (b) Outline **five** features of research and development projects in relation to project and contract management operations. (10 marks)

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