

Final term paper

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Section : A

ID # 7769

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Q.No 1:

You have a team of project managers reporting to you. Recently a new manager relatively inexperienced has joined your team. Considering his level of experience you assign him to a small project. Considering low complexity and few stakeholder involved you envision the project to have no surprise or hiccups. You have identified the number of communication channels to be only 6. However with increase in scope of work 2 additional stakeholder who need to be communicated with join the team. You ask the manager to identify the number of communication channels now?

Given data:

Number of communication channels = 6

Additional stake holders = 2

Required data:

Identify the number of communication channels after increasing the scope of work.

Solution no 1

As we know that
number of communication channel = $\frac{n(n-1)}{2}$

The number of communication people involved in six communication channels.

$$6 = \frac{n(n-1)}{2}$$

$$12 = n(n-1) = n^2 - n$$

$$n^2 - n - 12 = 0$$

$$n^2 - 4n + 3n - 12 = 0$$

$$n(n-4) + 3n - 12 = 0$$

$$n(n-4) + 3n(n-4) = 0$$

$$(n-4)(n+3) = 0$$

$$(n-4) = 0$$

$$n = 4$$

$$n+3 = 0$$

$$n = -3$$

So the number of people involved = 4
As there are additional stake holder's

So total number of people are

$$n = 4+2$$

$$n = 6$$

Now, the required communication
channel = $\frac{6(6-1)}{2}$

$$\frac{3 \times 6(6-1)}{2} = 3(5)$$

New communication channel = 15 Ans

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QNO 2:

If you have a project of 40 packages for each package planned value is ahead (behind schedule of over under budget).

BCWS	ACWP	% progress	BWP = EV
100,000	120,000,000	100%	$= 100,000 \times \frac{100}{100} \Rightarrow 100,000$
100,000	110,000,00	100%	$= 100,000$
100,000	80,000,00	90%	$100,000 \times 90 = 90,000$
100,000	125,000	80%	$80,000 \times 100$
100,000	75,000	50%	50,000
100,000	0	0	0
100,000	0	0	0
100,000	0	0	0
100,000	0	0	0
100,000	0	0	0
100,000	0	0	0
100,000	50,000		
			32,000

Cost Variance = EV - AC (Actual Cost)

1) $100,000 - 120,000 = -20,000$

2) $100,000 - 110,000 = -10,000$

3) $90,000 - 80,000 = 10,000$

4) $80,000 - 125,000 = -45,000$

5) $50,000 - 75,000 = -25,000$

6) $0 - 0 = 0$

0

7) $0 - 0 = 0$

8) $0 - 0 = 0$

9) $0 - 0 = 0$

10) $0 - 0 = 0$

$\Sigma = -90,000 \Rightarrow$ over budget.

$$CPI = \frac{EV}{AC}$$

$$\frac{320,000}{510,000} = 0.62$$

510,000

It has spent 38% more than

it should spent on bill
this date.

Schedule Variance

$$= EV - PV$$

$$1) 100,000 - 100,000 = 0$$

$$2) 100,000 - 100,000 = 0$$

$$3) 90,000 - 100,000 = -10,000$$

$$4) 80,000 - 100,000 = -20,000$$

$$5) 50,000 - 100,000 = -50,000$$

$$6) 0 - 100,000 = -100,000$$

$$7) 0 - 100,000 = -100,000$$

$$8) 0 - 100,000 = -100,000$$

$$9) 0 - 100,000 = -100,000$$

$$10) 0 - 100,000 = -100,000$$

$$\Sigma = -580,000 \Rightarrow$$

Behind Schedule

$$SPI = \frac{EV}{PV} = \frac{320,000}{1,000,000} = 0.32$$

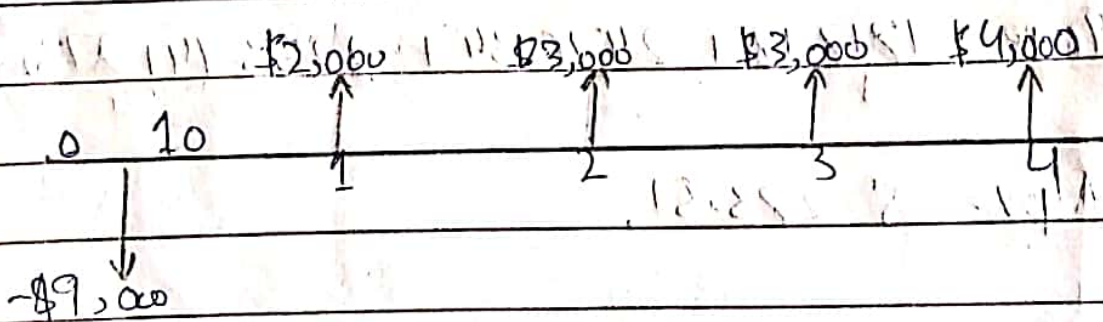
This project must have 68% accomplished more than actually has at this point. Thus, the project is behind schedule and over budget.

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Q.No 3

A Company is planning to invest 9000\$
In a project today the project
is expected to have life of four
years the expected cash flow for
next four year is shown and
the discount rate is 10%.

Calculate Net Present Value (NPV)
and comment on the result.



Sol:

$$NPV = -C_0 + \frac{C_1}{1+r} + \frac{C_2}{(1+r)^2} + \dots + \frac{C_T}{(1+r)^T}$$

$-C_0$ = initial investment

C = Cash flow

r = Discount Rate

T = Time

$C_1 = 2000$

$C_2 = 3000$

$C_3 = 3000$

$C_4 = 4000$

$$PV_0 = -C_0$$

$$PV_0 = -9000$$

$$PV_1 = 1818.18$$

$$PV_2 = \frac{C_2}{(1+r)^2} = \frac{3000}{\left(1 + \frac{10}{100}\right)^2}$$

$$PV_3 = 2253.94$$

$$PV_4 = \frac{C_4}{(1+r)^4}$$

$$= \frac{4000}{\left(1 + \frac{10}{100}\right)^4}$$

$$PV_4 = 2732.05$$

$$NPV = -C_0 + \frac{C_1}{1+r} + \frac{C_2}{(1+r)^2} + \frac{C_3}{(1+r)^3} + \frac{C_4}{(1+r)^4}$$

$$= -9000 + 1818.18 + 2479.34 + 2253.94 + 2732.05$$

$$NPV = \$ 2830.51$$

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Question No 4

Ans ① Identify your stakeholders.

Start by brainstorming who your stakeholder are, As part of this think of all the people who are affected by your work, who have influence or power over it or have influence an interest in its successful or unsuccessful conclusion.

Your boss	Shareholder	Government
Senior executives	Alliance partner	Trade Association
Your co-worker	Suppliers	The press
Your team	lenders	Interest group
Customer	analyst	The public
Your family	Key Contributor	Key Advisor

2 Prioritize Your Stakeholders:

You may now have a list of people and organization that are affected by your work. Some of these may have the power either to block that work or to advance it.

You can map out your stakeholders and classify them according to their power over your work and their interest in it on a Power / Interest Grid.

⇒ Power / Interest Grid for stakeholder Prioritization.

The position that you allocate to a stakeholder on the grid shows you the actions you need to take with them.

- high power, highly interested people (manage closely). you must fully engage these people and make the greatest effort to satisfy them.

Figure 1: Power Interest

Grid for Stakeholders

Prioritization.

keep satisfied	manage closely
Monitor minimum effort	keep informed

- high power, less interested people keep satisfied put enough work in with these people to keep them satisfied.

- low power less interested people monitor again monitor these people, but don't bore them with excessive communication.

② understand your key stakeholders.

You now need to discover how your key stakeholders feel about your project. you also need to work out how best to engage them and how to communicate with them.

Questions;

- what financial or emotional interest do they have in the outcome of your work.

- what motivates these most of all
- what is their current opinion of your work? it is based on good information.

• What information do they want from you, and what is the best way of communicating with them.

• If you don't think that you'll be able to win them around, how will you manage their position.

• What else might be influenced by their opinion? Does people become stakeholders in their own right.

• You can ask your stakeholder these questions directly. People are often quite open about their view, and asking for their opinion is often the first step in building a successful relationship with them.

Q No 5

For a project of residential house what are the different stages to be considered in the risk management checklist.

Ans.: Checklist for risk management.

Stage 1:

Initiation:

- Assemble risk management resources.
- Appoint the team leader and ensure breadth of skill/exp within the team.
- Assign risk management responsibilities appropriate to task.

Stage 2:

Proposal familiarization.

- Specify objectives and criteria.
- Familiarise the team with the proposal, assemble documentation and define

the key objective.

- Assess the proposal in relative to agency's objective and strategies.

Determine assessment criteria for proposal.

- Define key element.

Stage No 3

- Identify risks:

- Prepare a comprehensive schedule of risk for each element.

- Describe each risk and list the main assumption.

- Assess risk likelihoods and consequences.

- Assemble data on risk and their consequences.

- Assess risk likelihoods.

- Assess risk impacts.

Identify significant risks.

- Rank risk to reflect impact and likelihoods.

- where applicable, estimate risk factor

- Discard accept minor risks

→ Identify major risks for detailed risk action planning.

Stage 4

= Risk response planning.

Identify feasible response.

For each moderate and major risk, identify the feasible response

Responses may include.

a) Risk Prevention

b) Impact Mitigation

c) Risk Transfer

d) Risk Acceptance

Select the best response

Evaluate the - benefits and cost

Select the preferred response.

Stage : 5

Reporting:

- For designated proposal produce the risk management plane.

- For other project, collate risk action.

Stage : 6

Risk management Implementation

• Implement measures and action strategies.

• Monitor of the Implementation.

a) Assign responsibilities

b) Timing.