

University of Mumbai

Semester VIII regular exams-October 2020

Sample-Multiple Choice Questions-MCQ

CHC802 – Project Engineering and Entrepreneurship Management

Q	Pick out incorrect statement about Pay back period method of estimation of profitability		M	1
A	It considers complete life of project		1	1
A	It is the number of years in which capital cost is fully recovered		0	2
A	It is determined by after tax profit and discount rate		0	3
A	It shorter the PBP,the more viable is the project and better liquidity		0	4
Q	Overhead costs does NOT include		M	1
A	Risk management and insurance		0	1
A	Travel,rent,land taxes,royalties and property taxes,		0	2
A	Commissioning costs		1	3
A	Welfare expenses and general office services costs.		0	4
Q	Inflation index(method used for preparation of cost estimate) is used to estimate cost of---		M	1
A	Different capacity plant		0	1
A	Same plant		0	2
A	Same capacity plant		1	3
A	Same plant but with different raw materials		0	4
Q	If installed cost of plant P-1 of annual capacity C_1 ton is rupees R_1 then installed cost R_2 of plant -2 having capacity C_2 can be estimated as:		M	1
A	$R_2 = R_1 / (C_2/C_1)$		0	1
A	$R_2 =(R_1 \times C_2)/C_1$		1	2

A	$R_2 = R_1 \times C_2$		0	3
A	$R1 = R2 \times C_2$		0	4
Q	Turnover ratio((method used for preparation of cost estimate) is		M	1
A	Ratio between annual sales and investment		1	1
A	Ratio between annual demand and investment		0	2
A	Ratio between annual sales and working capital		0	3
A	Ratio between annual consumption and annual investment		0	4
Q	Which of the following considers time value of money?		M	1
A	Net Present Value.		1	1
A	Payback Period.		0	2
A	Return on Investment		0	3
A	Return Rate.		0	4
Q	An entrepreneur should select ---- as source of capital		M	1
A	Debt capital		0	1
A	Equity i.e., stock capital		0	2
A	Both debt and equity based on type of industry and profit margins		1	3
A	Own money only		0	4
Q	Capital cost means		M	1
A	Manpower costs		0	1
A	Power and utilities cost		0	2
A	Transport costs		0	3
A	All costs incurred before starting project		1	4
Q	Working capital means		M	1
A	The fund required for maintaining various inventories		1	1
A	The fund required for land, plant and machinery		0	2
A	The fund required for marketing		0	3
A	The funds required for lobbying		0	4
Q	Operating cost are incurred on		M	1
A	Non recurring basis		0	1

A	Periodic basis		0	2
A	Annually		0	3
A	Recurring basis		1	4
Q	Operating costs does not include		M	1
A	Labor costs		0	1
A	Land costs		1	2
A	Repair and maintenance expenses		0	3
A	Marketing and training expenses		0	4
Q	The Explosives Act, 1884 (amended 1983) deals with		M	1
A	the manufacture, possession, use, sale, transport, import and export of machine tools		0	1
A	the manufacture, possession, use, sale, transport, import and export of computers		0	2
A	the manufacture, possession, use, sale, transport, import and export of explosives		1	3
A	the manufacture, possession, use, sale, transport, import and export of cars		0	4
Q	Project success is the result of delicate balance of power between		M	1
A	Project Manager		0	1
A	Functional unit		1	2
A	Project and functional unit		0	3
A	Engineering Manager		0	4
Q	The implementation plan for the project contains estimates of		M	1
A	Material, Cost and Time		1	1
A	Publicity budget		0	2
A	Marketing budget		0	3
A	Lobbying budget		0	4
Q	Maintaining the balance, positive attitude among the team members is a job of		M	1
A	Lawyers		0	1
A	Project Manager		1	2
A	Government authorities		0	3
A	Journalists		0	4
Q	Which of the following is NOT the responsibility (i.e.) of the project manager?		M	1

A	Budgeting and cost control		0	1
A	Allocating resources		0	2
A	Tracking project expenditure		0	3
A	Environmental research		1	4
Q	Implementation stage requires ____of efforts.	M		1
A	40 to 55%		0	1
A	55 to 70%		0	2
A	70 to 80%		0	3
A	80 to 85%		1	4
Q	Detailed Engineering Design does not consist of	M		1
A	P and ID		0	1
A	Equipment specifications		0	2
A	Getting forest clearance		1	3
A	Equipment design		0	4
Q	What project management helps you to achieve?	M		1
A	Allow budget and time overruns		0	1
A	Allow unplanned tasks in project		0	2
A	Allow worsening of stakeholder - staff communication		0	3
A	Improve quality,reduce costs,manage scope and reduce risks		1	4
Q	The most common circumstance for project closure is simply a _____ project.	M		1
A	Completed		1	1
A	Overdue		0	2
A	Overbudget		0	3
A	Under achiveing		0	4
Q	Who may NOT be involved in detail design?	M		1
A	Suppliers of equipment (vendors)		0	1
A	Project manager		0	2
A	Safety specialists and functional engineers(chemical,mechanical,civil etc)		0	3
A	Accountant		1	4

Q	Which of following statement is NOT true about project management?	M	1
A	Project management causes delays and wastage of resources.	1	1
A	Project management saves money.	0	2
A	Project management saves time.	0	3
A	Project management improves quality.	0	4
Q	Project Manager will be involved in making choices regarding	M	1
A	Objectives of the project	1	1
A	Goals of the Nation and Parliament	0	2
A	Personal Ambitions	0	3
A	Wishes of locals and political parties	0	4
Q	Hand over of plant is done during ----- phase.	M	1
A	Initiating phase	0	1
A	Planning phase	0	2
A	Executing phase	0	3
A	Closure phase	1	4
Q	What is NOT a definition of work breakdown structure?	M	1
A	A work breakdown structure defines all the things a project needs to accomplish, organized into multiple levels, and displayed graphically.	0	1
A	A definition of the hierarchy of project tasks, subtasks, and work packages	0	2
A	A deliverable-oriented hierarchical decomposition of the work to be executed by the project team to accomplish the project objectives and create the required deliverables.	0	3
A	A WBS is a method of brainstorming for new ideas for projects	1	4
Q	Which is NOT included in 3 R of contracting?	M	1
A	Risk	0	1
A	Responsibility	0	2
A	Reimbursement	0	3

A	Rescheduling		1	4
Q	Which is NOT TRUE with respect to deliverables in projects?	M		1
A	Outputs which are obtained at the end result of completion of the project		0	1
A	Outputs which are obtained at the end result of a life-cycle phase of the project		0	2
A	Measurable, tangible outputs		0	3
A	Only hardware can be considered to be deliverable		1	4
	A WBS is a product-oriented family tree subdivision of the hardware, services, and data required to produce			
Q		M		1
A	A document		0	1
A	An excel file		0	2
A	Work package and deliverables		1	3
A	Contracts		0	4
Q	WBS is NOT used for	M		1
A	Planning Tool		0	1
A	Project Status Reporting Tool		0	2
A	Preparation of responsibility matrix and assigning work responsibility to team members		0	3
A	Project communication		1	4
Q	Turn-key contract	M		1
A	It involves multiple contractors, who give finished plant to owner		0	1
	It involves a single contractor, who supplies a complete plant, which is ready for the owner to operate by simply turning the key.		1	2
A	It is ALWAYS fixed price contract		0	3
A	It is not covered by indian laws.		0	4
Q	Which is NOT type of WBS?	M		1
A	Agency oriented WBS		0	1
A	Personnel oriented WBS		1	2
A	Hardware oriented WBS		0	3
A	Function oriented		0	4
Q	A Responsibility Matrix is	M		1

A	Matrix used for calculations of time and costs required in project		0	1
A	Used for solving differential equations		0	2
A	Used to define who in the organization is responsible for individual work elements and deliverables		1	3
A	It helps in organizing documents		0	4
Q	Which is NOT part of responsibility matrix?	M		1
A	Employed		1	1
A	Responsible		0	2
A	Consulted		0	3
A	Informed		0	4
Q	The communication plan is usually created by the project manager and/or the project team in the _____ of project planning	M		1
A	End stages		0	1
A	Implementation phase		0	2
A	Early stages after scope is defined		1	3
A	Commissioning phase		0	4
Q	Seven(7) C of team building are:	M		1
A	Conceiving,Compelling,Committing,Communicating,Coordinating,Counselling,Controlling		0	1
A	Conceiving,Concurring,Committing,Communicating,Coordinating,Counselling,Controlling		1	2
A	Coercing,Concurring,Committing,Communicating,Coordinating,Counselling,Controlling		0	3
A	Conceiving,Concurring,Committing,Communicating,Coordinating,Counselling,Commissioning		0	4
Q	If Project Manager works as a Staff Assistant to the Chief Executive,then	M		1
A	PM(Project Manager) has full authority and can overrule functional departments.		0	1
A	PM(Project Manager) collects information and communicates with chief executive but does provide any staff service to the functional departments .		1	2

A	This arrangement is suitable for large projects.		0	3
A	PM(Project Manager) behaves as de facto owner of company project .		0	4
Q	PERT analysis is NOT based on	M		1
	Optimistic time		0	1
A	Pessimistic time		0	2
A	Most likely time		0	3
A	Average time		1	4
Q	Which of the option is not a notable challenge while scheduling a project?	M		1
A	Strict deadlines.		0	1
A	Independent activities.		1	2
A	Requirement of too many workers.		0	3
A	Costly delays		0	4
Q	The earliest start time rule	M		1
A	Compares the activities starting time for an activity successor.		0	1
A	Compares the activities end time for an activity predecessor.		1	2
A	Directs when a project can start.		0	3
A	Regulates when a project must begin.		0	4
Q	The critical path	M		1
A	is a path that operates from the starting node to the end node		0	1
A	Is a mixture of all paths.		0	2
A	Is the longest path		1	3
A	Is the shortest path		0	4
Q	Completion of a CPM network diagram activity is commonly known	M		1
A	Connector		0	1
A	End Event or last activity		1	2
A	Early End		0	3
A	Start		0	4

Q	What is NOT TRUE while scheduling a project by CPM method?	M		1
A	A project is divided into various activities		0	1
A	Required time for each activity is established		0	2
A	A sequence of various activities is made according to their importance		0	3
A	Time and resources for dummy activities are calculated		1	4
Q	The full form of PERT is	M		1
A	Program Evaluation and Rate Technology		0	1
A	Program Evaluation and Robot Technique		0	2
A	Program Eradication and Review Technology		0	3
A	Program Evaluation and Review Technique		1	4
Q	A PERT network is _____ oriented while a CPM network is _____-oriented	M		1
A	activity,event		1	1
A	event,activity,		0	2
A	event,event		0	3
A	activity,activity		0	4
Q	_____ are used to represent activity in a network diagram.	M		1
A	Circles		0	1
A	Squares		0	2
A	Rectangles		0	3
A	Arrows		1	4
Q	The shortest possible time in which an activity can be achieved under ideal circumstances is known as	M		1
A	Pessimistic time estimate		0	1
A	Optimistic time estimate		1	2
A	Expected time estimate		0	3
A	The most likely time estimate		0	4
Q	According to the time estimates made by the PERT planners, the maximum time that would be needed to complete an activity is called as	M		1
A	The most likely time estimate		0	1

A	Optimistic time estimate		0	2
A	Pessimistic time estimate		1	3
A	Expected time estimate		0	4
Q	The difference between the maximum time available and the actual time needed to perform an activity is known as _____	M		1
A	Free float		0	1
A	Independent float		0	2
A	Total float		1	3
A	Half float		0	4
Q	ABC analysis is _____.	M		1
A	At best Control		0	1
A	Always better Control		1	2
A	Average better Control		0	3
A	All best control		0	4
Q	Economic order quantity is that quantity at which cost of holding and carrying inventory is:	M		1
A	Maximum and equal		0	1
A	Minimum and equal		1	2
A	It can be maximum or minimum depending upon case to case		0	3
A	Minimum and unequal		0	4
Q	In selective inventory control which method is based on material's significance with respect to other material?	M		1
A	ABC Analysis		1	1
A	MEP Analysis		0	2
A	FSN Analysis		0	3
A	VED Analysis		0	4