

Assignment 02: Due date 15th of March 2017 (2017/03/15)

Unique number: 692785

Marks weight: 20%

ASSIGNMENT 02 - SEMESTER 1

ASSIGNMENT 02	
Due date	15 March 2017
Study material	Hughes & Cotterell: Chapters 2
Total marks	40 marks = 100%
If your assignment is late, please DO NOT PHONE OR E-MAIL asking for an extension but include a note in your assignment stating the reason for the late submission and we will decide whether or not it will be marked. This is a compulsory assignment	

Instructions:

1. Complete this assignment and submit online in a .pdf format by performing the calculations.
2. The following unique number has to be assigned to the assignment:

Unique Number
692785

3. Show all your working (calculations).
4. This assignment consists of 6 questions.

QUESTIONS FOR ASSIGNMENT 02:

Question 1:

- 1.1 In your own words explain what a project portfolio management is. What its functions are and discuss the three key aspects of project portfolio management. (8)

Question 2:

Consider the cash flows estimate for three Projects 1, 2 and 3 given in the table below (in ZAR, South African rand, R):

Year	Project 1	Project 2	Project 3
0	-110,000	-450,000	-300 000
1	10,000	50,000	22,000
2	5,000	50,000	30,000
3	20,000	100,000	4,000
4	15,000	120,000	14,000
5	16,000	10,000	130,000
6	55,000	135,000	122,000

Use this information to calculate the **Net Profit**, the **Return on Investment (ROI)**, the **payback period** and the **Net Present Value** at 12% for **each** of these projects. Then answer Questions 1 – 5.

NB: Please show all your calculations

1. Calculate the Net Profit for each project.

(6 marks)

2. Based on your calculation of the Net Profit, which project select and why? (1 mark)
3. Calculate the Return on Investment (ROI) for each project. (6 marks)
4. Based on your calculation of the individual Return on Investment (ROI) of each project in question 2 above, which project would you select to develop? (1 marks)
5. Calculate the Payback Period for each project. (6 marks)
6. Calculate the Net Present Value for each project. (12 marks)

Good Luck!!