

Project Management Assignment 3

by
Dr Mohd Yazid
Faculty of Manufacturing Engineering
myazid@ump.edu.my

Assignment 3

- Aims
 - To understand the project risk.
 - To understand quantitative and qualitative value of project risk and prioritize them.
- Expected Outcomes
 - Students are able to identify the project risk.
 - Students are able to determine quantitative and qualitative value of project risk and prioritize them.
- References
 - William, R.T. 2013. Project Management. Random Exports
 - Heagney, J. 2012. Fundamentals of Project Management. American Management Association.
 - Richardson and Gary, L. 2010. Project Management theory and practice. Taylor and Francis.

Assignment 3

According to the **Table Q1**, the cost to produce a new product through R&D and rapid development are RM8,000 and RM10,000 respectively while remanufacturing product by cleaning, machining and testing are RM2,000, RM3,000 and RM2,500 respectively. Sketch the decision tree and draw a conclusion.

Table Q1

			Probability (%)	Allocation budget (RM)
New product	Research and development (R&D)	Good	40	20,000
		Moderate	40	15,000
		Poor	20	5,000
	Rapid development	Good	50	21,000
		Moderate	30	16,000
		Poor	20	6,000
Remanufacturing product	Cleaning	Remanufacturable	60	10,000
		Repairable	30	6,000
		Rejected	10	1,000
	Machining	Remanufacturable	55	11,000
		Repairable	25	5,000
		Rejected	20	1,000
	Testing	Remanufacturable	50	10,000
		Repairable	20	7,000
		Rejected	30	1,000

Dr Mohd Yazid

Project Management

Assignment 3