

# [Business](https://assignbuster.com/business-essay-samples-4/)

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Business What are the four parts of a technical Proposal? Past experience- this contains a list of the individuals who are involved alongside with their experience in the projects. It also entails the skills and qualities that these people bring to the project.
Plan for implementation- it entails the time span, resources and cost of the project. The project quality control is also included in this phase.
Technical approach- Involves a wide description of the entire project at stake. The approach that the organisation will take on each subsystem is also included. The outlines of how the requirements are going to be addressed are noted
Plan for logistical support and administration- it gives a clear picture how the project will be conducted, monitored and reported. It also notes how changes throughout the project will be made and effected1.
2. Contrast the competitive necessity model with the operating necessity model
Competitive necessity model
Advantages
It is easy to start with since it is a non-numeric model
Helps in maintaining an organisation level of competition
Disadvantages
Information to be used in the determination of the importance or priority is limited
Operating necessity model
Advantages
It is advantageous in projects that need to be started immediately
It is needed for any business function
Disadvantages
This model in most cases seem to be reactive2
3. Limitations of project selection models?
This model only serves to provide a direction and not the sole decision making
Projects requirements are bound to change along the process hence the model cannot be effective since it is based on the initial decision making process
The model does not bind certain aspects of risks and scopes in reality3
4. Advantages and disadvantages of the profit/profitability numeric models?
Advantages
Consideration of weights to every factor is the most objected oriented method of selecting a project
These models are logical and follow a simple methodology
They are simple to be implemented
Disadvantages
The model assumes all the involved factors are independent and linear which is not possible
The score of the project provides a relative measure but do not reflect the projects utility
It only focuses on the aspect of finance
Does not account for l the risks involved in the project
These models are susceptible to errors that are based on the used data4
A four year financial project has net cash flows of $20, 000; $25, 000; $30, 000; and $50, 000 in the next four years; it will cost $75, 000 to implement the project. If the required rate of return is 0. 2, conduct a discounted cash flow calculation to determine the NPV

Year 1
Year 2
Year 3
Year 4
Total
$    20, 000. 00
$    25, 000. 00
$    30, 000. 00
$    50, 000. 00
$  125, 000. 00
Project Cost
-$ 75, 000. 00
Rate of Return
20%
Inflation Rate
4%
NVP (Range)
$501. 54

What would happen to the NPV of the above project if the inflation rate was expected to be 4 percent in each of the next four years?

Year 1
Year 2
Year 3
Year 4
Total
$    20, 800. 00
$    26, 000. 00
$    31, 200. 00
$    52, 000. 00
$  130, 000. 00
Project Cost
-$ 75, 000. 00
Rate of Return
20%
Inflation Rate
4%
NVP (Range)
$75, 501. 54
According to the new figures the NVP will increase by four percent (4%)
5. Portillo, Inc
How can Ms. Portillo find out if her suspicions are correct?
If the calculations are based on the numeric model, then Ms. Portillo can review her minutes and make a comparison with the actual figures of the financial period to ascertain everything. After which she can counter check the calculations once more after re-running to confirm the prediction accuracy of the model.
What are her options if her idea is supported?
Ensure a uniform technique model is used by all the managers in addition to learning on how to implement them. She should also provide auditing to ensure the figures are correct. In addition, she should also aim at reducing the chances of errors from occurring by enabling random sampling of the decisions that are ongoing.
Reference
Meredith, Jack R., and Samuel J. Mantel. 2012. Project management: a managerial approach. 8th Edition. Hoboken, NJ: Wiley. 47 -76