

COMPUTER SCIENCE TRIPOS Part II – 2016 – Paper 7

5 Business Studies (JAL)

- (a) A small software company accepts a contract to supply some specialist software. The contract is worth £2M, paid by payments of £500k at start and three payments of £500k invoiced against milestones expected at months 1, 3 and 5 of the 6 month project. Staff costs are estimated at £150k/month and overheads of £100k/month. Draw up an outline cashflow for this project. [5 marks]
- (b) How profitable is this project if all goes to plan? [2 marks]
- (c) At a project beer night towards the end of Month 3, your lead programmer punches the project manager in the face, during a heated argument. The project manager comes to you on the following day to complain to you in your role as CEO. How will you handle this affair and what is the likely effect on the project's progress? [8 marks]
- (d) How would the resulting loss of progress affect the project's profitability? [5 marks]