FIED: **Business Finance Accounting**

CONTEXT:

1. Explain the Roles and responsibility of Enterprise Project Manager?
2. You have two projects from which to choose;- Project A with a payback period of 10 months and project B with a payback period of 20 months. Which one would you prefer and why?
3. You can two projects to choose from: Project A with an NPV of $105,000 or Project B with an NPV of $35,000. What is the opportunity coast?
4. **Roles and responsibility of Enterprise Project Manager**

The Roles and responsibilities of Enterprise Project Manager include;

Overseeing the various projects occurring simultaneously across different departments to ensure that they're meeting company’s expectations and goals at the same time reporting at an executive level within a company and offering guidance at the top of an organization.

Enterprise project manager is also responsible for overseeing the planning, execution and completion of projects that affect multiple departments or divisions within their organization. They commonly work with team of people from different areas to ensure that everyone is on the same page and working towards the same goals. The team members may include project managers, designers, programmers, analysts, and other professionals. As the leader, the manager is supposed to make sure the team has clear objectives and members are engaged towards meeting the organization’s objective and providing all the necessary support needed through provision of resources and technical guidance.

The manager is also tasked with Developing and managing deliverables such as budgets, timelines, project plans, and work plans. Project deliverables are vital components in the project management process because they let the project manager, clients, and other key stakeholders know that the team is making progress. They often work as a control tool for the organizational activities,

The manager also Coordinates with internal departments to ensure that they are meeting deadlines and meeting quality standards. In every organization there are always deadlines and important dates for every activity in the organization. The manager through the department heads is responsible in making sure quality standards and deadlines are met.

Carry out Project Review. Enterprise Manager is responsible for periodic project reviews looking at the progress of current projects as well as potential risks. The Manager might conduct different types of reviews such as startup, progress, and close-out. The purpose of these reviews is to check on project standards, status, and issues, and whether updates are needed for the risk mitigation plan.

Enterprise/ project risk analysis: The Enterprise project manager proactively identify risks and assesses the qualitative and quantitative impact of the risks then develops contingency plans and appropriate measures the can be taken to mitigate them.

Planning and resource allocation; The Manager is responsible for Planning all the activities and addressing how to complete a project in a certain timeframe, usually with defined stages and designated resources and how the resources will be allocated while making sure all the risk associated the project and measures and managed in advance.

Training and Development; Enterprise Project managers provides training and mentors other department heads and project managers. He invest in the team working together by providing training to help project managers develop the technical and management skills required for the job.

Communicating with stakeholders about project status, progress, issues, and concerns. It ensures team members are aligned on project goals and understand exactly what’s expected of them. It also helps build trust so everyone works better together from project start to finish..

Conducting research on new technologies or best practices that could impact the project. Like any other manager an enterprise project manager conducts research on new technologies and ideas that can positively impact the organization.

Inconclusion like all other types of managers, Enterprise project Managers are also working towards achieving the goals and objectives of an organization through managing its resources.

1. **Project A with a payback period of 10 months and project B with a payback period of 20 months. Which one would you prefer and why?**

When considering the two projects A and B, I will prefer project A with 10 months payback period. This is because Project A has a shorter payback period compared to project B hence the project is more attractive for investment.

Payback period is a capital budgeting tool that is used to determine method the number of years required to recover the original cash investment of a project. This is calculated by diving the cash outlay which is the cost that occur entirely at the beginning of the project by the amount of net cash inflow generated by the project per year. Accept and reject criteria in the payback period depends on whether an investment is financially feasible or not based on how long it takes to recoup the initial investment.

The criterion for accepting a project in the payback period method, is that the investment should have a payback period that is less than or equal to a predetermined cutoff period. This cutoff period represents the maximum time allowed for the investment to generate enough cash flows to recover the initial investment.

The reject criterion is that the investment should have a payback period that is greater than the predetermined cutoff period. This means that the investment is not expected to generate enough cash flows to recover the initial investment within the specified timeframe.

Entities often want to recover the initial cost of an investment or project as quickly as possible which will directly means the investment's risk level associated with the initial investment cost is only for a shorter period of time.

Therefore a shorter payback period is better because it will mean that apart from the project recovering its initial cost faster it reduces the exposure to uncertainty and volatility in the future cash flows and thus implying that the project frees up cash for other uses sooner, which increases the liquidity and flexibility of the firm.

1. **Project A with an NPV of $105,000 or Project B with an NPV of $35,000. What is the opportunity coast?**

When considering between project A with an NPV of $105,000 and project B with NPV of $35,000 I will choose project A because it has a greater Net Present value that Project B. This is because a higher NPV indicates that over the project life, the expected inflows would be higher than the investment and other cash outlays.

The NPV of project A indicates that the projected earnings generated by the project exceeds the anticipated costs and the project will be more profitable. By choosing project A will mean I will forego project B. Therefore the opportunity cost will be the NPV of $35,000 being net inflows that could realize if project B is to be invested.

Net Present Value is a method that give insights to potential investors and investors in deciding whether it is worth to take up a project basis the present value of the cash flows. It is used in capital budgeting and investment planning to analyze the profitability of a projected investment or project.

NPV is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. It is Calculated to enables investors to make insightful decision into the future value of their projects in regards to the organization's current financial situation.

Net present value being a tool that compares the value of cash flows (benefits) received in the future with the capital required for investment today it enables potential investors to decide whether to accept or reject the investment. The decision rule is to accept and pursue projects with NPVs greater than or equal to zero, as this implies the project meets or exceeds your expected rate of return.