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Total Number of Pages: 02

MBA
15MNG404H

4th Semester Regular Examination 2016-17
PROJECT APPRAISAL(PA)
BRANCH:MBA
Time: 3 Hours
Max Marks: 100
Q.CODE:Z769

Answer six questions including Question No. 1 and 2 which are compulsory.
The figures in the right hand margin indicate marks.

- Q1** **MCQ. There is only one correct choice against each question.** **(2 x 10)**
- (i)** Which of the following is not a project characteristic?
(a) Uniqueness
(b) Time bound
(c) Risk
(d) Time overrun
- (ii)** Which of the following is a backward integration project?
(a) Manufacturing of Aluminum conductors by NALCO
(b) Manufacturing of Thermal Power Plant equipment by NTPC
(c) A Film Production Company taking up distribution of films
(d) A retail mobile selling outlet extending mobile phone repair service
- (iii)** Critical Path Method (CPM) does not involve:
(a) Listing of all activities
(b) Estimate of time for completion of each independent activity
(c) Sequencing the activities based on their dependencies
(d) Estimating the float on the Critical Path
- (iv)** Which one of the following is not a part of preliminary expenses?
(a) Cost incurred on preparation of pre-feasibility study report
(b) Consultation charges on formation of company
(c) Secretarial charges incurred on dealing with ROC
(d) Interest paid on term loan prior to commencement of repayment schedule
- (v)** Which of the following is not a cause of project cost overrun?
(a) Appreciation of Rupee against US Dollar
(b) Delay in sanction of term loan by FI
(c) Imported Capital equipment held up for customs clearance
(d) Frequent accidents at project site
- (vi)** Which of the following is not an objective of post-audit of a project?
(a) To identify causes of time overrun
(b) To identify causes of cost overrun
(c) To assess the project deliverables
(d) To assess the credit worthiness of the promoters
- (vii)** Moratorium on loan repayment is given with a view to:
(a) Help expedite project execution
(b) Acknowledge credit worthiness of the promoters of the project
(c) Ease the financial burden on the company during project Execution phase and at the initial stages of commencement of business
(d) To facilitate EMI payment

- (viii) Which one is not a type of Letter of Credit:
 (a) Revocable LC
 (b) Irrevocable LC
 (c) Transferrable LC
 (d) Adjustable LC
- (ix) CIBIL score is not that important in deciding:
 (a) Sanction / rejection of the loan application
 (b) Interest rate chargeable on the loan
 (c) EMI
 (d) Foreign currency loan
- (x) Which of the following is not a cause of delay in project implementation?
 (a) Poor accessibility to the project site
 (b) Inept evaluation and monitoring
 (c) Downsizing of the project
 (d) Major changes in government regulation pertaining to the nature of the project

- Q2 Answer all questions (2 x 10)**
- (i) Why it is said that projects are "Multidisciplinary" and "Complex" in nature?
 (ii) Team work is an important feature of a project. Why?
 (iii) Differentiate between expansion and diversification in the context of a project.
 (iv) How import and export statistics could help new project identification?
 (v) Mention two differences between economic appraisal and financial appraisal of a project.
 (vi) Under what circumstances penal interest is levied on repayment of loan?
 (vii) State two differences between business risk and financial risk.
 (viii) State two restrictive covenants generally imposed by FI/Bank while sanctioning term loan for a project
 (x) What is Liquidated damage?
- Q3 List the abilities and skills, a project manger should possess? How does negotiation skill help a project manager in cost control? (15)**
- Q4 What is meant by Technical Appraisal of a project? Explain four important parameters of a project which are examined in detail during such an appraisal. (15)**
- Q5 List the major components of Project Cost? List the expenses which are classified under Pre-operative expenses and explain two of these. (15)**
- Q6 What do you understand by margin money for working capital? Explain the difference in the approach by commercial banks in extending tern loan funding and working capital funding. (15)**
- Q7 Name the project parties involved in a project under implementation in PPP mode. What considerations go into fixing of User Charges in a PPP project? (15)**
- Q8 Write short notes on any two; (7.5 x 2)**
- a) Environmental Impact Assessment
 b) Project Organization
 c) Project Closure