

Registration No :

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Total Number of Pages : 02

MBA
15MNG404H

4th Semester Regular Examination 2017-18

PROJECT APPRAISAL (PA)

BRANCH : MBA

Time : 3 Hours

Max Marks : 100

Q.CODE : C314

Answer Question No.1 and 2 which are compulsory and any four from the rest.

The figures in the right hand margin indicate marks.

Q1. Answer all questions. Fill in the blanks with appropriate answer : (2 x 10)

- a) PPP stands for-----
- b) BOOT means-----
- c) PERT and CPM stand for----- and -----respectively.
- d) Seed capital represents-----.
- e) Venture capital represents-----.
- f) Two tax incentives given to a new project are -----and -----.
- g) -----and -----are two FIs who fund infrastructure projects.
- h) Financial risk impacts-----
- i) Business risk impacts-----
- j) Two types of overrun affects the implementation of a project in schedule. They are -----and -----.

Q2. Explain the following terms : (2 x 10)

- a) Green Field Project
- b) Debt-Equity Ratio
- c) Pre-operative Expenses
- d) Post audit of a project
- e) Termination of project before completion, grounds thereof
- f) Qualities of a Project Manager
- g) Project clean upstage
- h) Bank Guarantee
- i) Net working capital
- j) Social cost of a project

Q3. a) What are the sources of project ideas? (7)

b) What are the pre-requisites for successful project implementation? (8)

- Q4.** Consider the following projects that are being implemented by a firm which has a capital budget constraint of Rs 30,00,000 **(15)**

| PROJECTS | OUTLAY (RS) | NPV (RS) |
|----------|-------------|----------|
| A | 18,00,000 | 750,000 |
| B | 15,00,000 | 600,000 |
| C | 12,00,000 | 500,000 |
| D | 7,50,000 | 360,000 |
| E | 6,00,000 | 300,000 |

Projects B and C are mutually exclusive. Other projects are independent. Determine the feasible combinations of projects to maximize NPV.

- Q5.** What is meant by environment impact analysis? What are the methodologies for impact assessment? Explain in detail. **(15)**

- Q6. a)** Explain the five stages of appraisal in the UNIDO method. **(7)**

- b)** Discuss the role of PAD and PIB **(8)**

- Q7. a)** Distinguish between the physical life and economic life of a project. How do you determine the economic life? **(7)**

- b)** What are the problems on Risk analysis and selection of projects? **(8)**

- Q8. Write short notes :**

- a)** Project Review **(5)**

- b)** Criteria of project appraisal by FIs for sanctioning loan **(5)**

- c)** TEFR **(5)**