MBA SEMESTER IV EXAMINATION, 2018

Course – MBA-GE- FM 06

Project Appraisal and Finance

Time: 3 Hours   Max. Marks: 75

Write Your Roll No. on the top immediately on receipt of this question paper.

Note: Answer any five questions.
Each question carries equal marks.

1. What do you understand by a project in the parlance of business? Explain key phases of a project.

2. Discuss the various aspects related to the generation and screening of Project ideas?

3. What are the broad purposes served by market assessment? What are the steps involved in systematic market analysis? What are the contemporary challenges faced in market assessment?

4. What is the purpose of appraisal of technology and know-how selection? "Evaluation and choice of production technology by the promoters is most crucial to technical analysis and appraisal of a project." Comment

5. What is payback period? Evaluate payback as an investment criterion, with the help of an example. Why is payback so popular, despite its shortcomings? What is discounted payback period?

6. Assess various project appraisal criteria on the basis of certain theoretical and practical considerations.

7. The expected cash flows of two mutually exclusive projects, P and Q, for which the cash flows (in thousands) are:

YEAR	Project P	Project Q
0	(1000)	(1600)
1	(1200)	200
2	(600)	400
3	(250)	600

4	2000	800
5	4000	100

Cost of capital is 10%

(a) What is the NPV and IRR of each project?

(b) Which project would you choose?

8. Write notes on any three of the following:

(a) Types of Project

(b) Forms of Project Organisation

(c) Project Planning

(d) Financial Analysis

(e) Social-cost benefit analysis