Roll No...

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Even Semester Examination - July 2023
MBA-IV Semester
MBA-GE-FM-06
Project Appraisal and Finance

Duration: 3 Hour | Max.Marks -75

(15X5=75)

Note: Attempt any Five Questions, All questions carry equal marks

Q1 a) "The capital expenditures are believed to be the most critical decisions taken by a firm". Do you agree with the statement? Why/ why not?

b) Explain the difficulties associated in capital expenditure decisions. (8+7)

Q2 a) Discuss the main characteristics of a project?

b) Elaborate how projects can be classified (8+7)

Q3. Suppose a firm has developed an improved air filter as compared to those available in the market. You are the manager given the responsibility to provide information about where and how to market the new air filter. Elucidate the steps you will undertake for systematic market analysis.

Q4. XYZ International is evaluating a project whose cash flows are as follows:

Year	Cash Flow (₹)
0	(25,00,000)
1	250,000
2	500,000
3	750,000
4	15,00,000
5	750,000

a) What is the NPV of the project if the discount rate is 14% for the entire period?
b) What is the NPV of the project if the discount rate is 12% for year 1 and rises by 1% every year?
c) What is the payback period and the discounted payback period if the discount rate is 14% for the entire period?

Q5. "In SCBA the focus is on the social costs and benefits of the project which is different from the monetary costs and benefits analysis of a project". Elaborate.
Which analysis should be done before setting up a hospital in a locality and why?

Q6. Critically examine the different discounted and non-discounted investment criteria or capital budgeting techniques.

Q7. Calculate the internal rate of return and payback period of an investment which involves a current outlay of ₹12,00,000 and results in an annual cash flow of ₹240,000 for seven years.

Q8. Write notes on any three of the following:

a) Project Financing
b) Forms of Project Organization
c) Human Aspects of Project Management
d) Pre-requisites for Successful Project Implementation