Roll No……….

# MBA SEMESTER IV EXAMINATION, 2019

## 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.

**Answer any five questions out of the following:** **(5 x 15)**

1. (a) What are the main characteristics of a project?

   (b) How can projects be classified?

   (b) According to you, which part of the project life cycle is most critical and why? (5+5+5)

2. Discuss the aspects of business environment that need to be monitored as well as the dimensions along which a firm may appraise its strengths and weaknesses for identifying investments opportunities.

3. What are the steps involved in systematic market analysis? Underline its significance in the context of proposed project.

4. Explain in detail the factors that contribute basic Inputs for Financial analysis.

5. The cash flow streams for two alternative investments X & Y are:

| Year | X | Y |
|---|---|---|
| 0 | -220,000 | -220,000 |
| 1 | +62,000 | +142,000 |
| 2 | +80,000 | + 80,000 |
| 3 | +100,000 | + 80,000 |
| 4 | +140,000 | +40,000 |

Calculate the Payback Period and Net Present Value for the two alternatives. The discount rate is 10%. Also calculate the Modified Net Present Value if the re-investment rate is 20%. Which of the two projects would you choose? Why?

6. (a) Critically evaluate the benefit-cost ratio criterion.

(b) What is the internal rate of return of an investment which involves a current outlay of Rs. 12,00,000 and results in an annual cash flow of Rs. 2,40,000 for seven years. (6+9)

7. (a) Discuss the significance of Social Cost benefit Analysis.

(b) Elaborate and explain the stages of the UNIDO approach. (5+10)

8. Write notes on any three of the following: (3x5)

a) Project Management

b) Project Financing

c) Human Aspects of Project Management

d) Forms of Project Organization