Rs.3,00,000. Furniture will have Scrap value of Rs.1,50,000 and gross working capital will be liquidated at 80% of the initial amount. Using appropriate appraisal technique appraise the project. 10

Unit-IV

8. What is Post-evaluation System? Discuss the activities to be considerd in Post-evaluation system with respect to shopping mall. 10

9. Define Project Organisation. Explain the various types of project organisation along with suitable examples. 10



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Roll. No. ___________

# MS-3138

MBA(MS) (IV-Semester) (FE) Examination, 2015

## Project Appraisal & Management

MS (A) - 044

***Time Allowed : Three Hours ]*** ***[ Maximum Marks : 70***

Note : Answer five questions in all. Question No.1 is compulsory. Attempt one question from each Unit.

1. Write Short notes on the following: $3 \times 10 = 30$

   (a) Importance of Time Value of Money.

   (b) Sources of Project Idea.

   (c) Merits of Discounted Payback Period.

   (d) Attributes of project.

   (e) Concept of Bridge finance.

   (f) Crash Vs Disaster Project.

   (g) Application of PERT-CPM

   (h) Assumptions of NPV.

   (i) Responsibilities of a Project-Manager.

   (j) Project Risks.

## Unit-I

2. Define the Word 'Project.' Explain the various phases of a Project with the help of an example. 10

3. Discuss the need of feasibility study in any Project. Explain pre-feasibility and feasibility study of a project, with an example. 10

## Unit-II

4. What do you understand by Market & Demand Appraisal? Briefly discuss the various techniques of demand forecasting. 10

5. (a) An investment of Rs.10,000 yield following return: 5+5=10

| Year | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Yield (Rs.) | 3,000 | 4,000 | 4,000 | 2000 | 2000 |

The cost of Capital is 10%. Is the investment desirable?

(b) Calulate IRR:

| Year | 0 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|
| Net CF (Rs.) | –1000 | 400 | 500 | 500 | 300 |





## Unit-III

6. What is Cost of a Project? Discuss the various activities to be considered for calculating cost of the project, with example. 10

7. A Project requires an initial outby of Rs.15,00,000. Investment of Rs.6,00000 in plant & Machinery, Rs.4,00,000 in furniture and remaining amount as gross working capital. The Project will be financed as under :

| | |
|---|---|
| 20% Equity Capital | Rs.8,00,000 |
| 15% Bonds | Rs.4,00,000 |
| 18% Long term Debts | Rs.2,00,000 |
| Creditloss | Rs.1,00,000 |

The Project will generate revenue of Rs.4,50,000 p.a. The operating expensed will be Rs.1,00,000/year. These expences exclude depreciation, interest and taxes. Depreciation will be charged at 20% using WDV. Tax rate is 40% Life of the project is 7 years. Plant & Machinery will fetch a salvage value of