Sanjay Ghodawat University, Kolhapur

2019-20

Established as State Private University under Govt. of Maharashtra. Act No XL, 2017

TY, B.Com.	School of Commerce and Management	Commerce
CBCF 307	Project Finance	Semester – (V)
	End Semester Examination	Time: 3 hrs, Max Marks: 100

10.30 am to 1.30 pm.

Instructions: 1) All Questions are compulsory.

			Marks	Level	COs
Q.1		**State following statements are True or False. (Any 5)**			
	a)	1) Project manager should try to enhance people's creativity, scan the entire business environment and appraise the company's strengths and weaknesses to generate a large number of ideas.	10	L1	CO1
		2) Companies use market demand analysis to understand how much consumer demand exists for a product or service.		L 1	CO2
		3) A statement of cash flows is a required statement for every business that includes an income statement and a balance sheet in its financial reports.		L 1	CO2
		4) In the case of financial projects, the project manager should assess the NPV of project ideas.		L 1	CO2
		5) The cost of production is a major determinant of consumer demand.		L 1	CO3
		6) Projected financial statements are usually prepared for internal purposes only.		L 1	CO3
	b)	**Answer the short questions (Solve any 5)**	10		
		1) Define the term ROI.		L 1	CO4
		2) State the meaning of Project Risk.		L 1	CO4
		3) What is Treasury Bills.		L 1	CO4
		4) Define term Profitability Index.		L 1	CO5
		5) State the meaning of Contribution.		L 1	CO5
		6) Narrate the concept of Cost of the project.		L 1	CO5
Q.2		**Answer the following:**			
	a)	Explain the Concept & characteristics of Project Management?	10	L 1	CO1
		OR			
	a)	What are the different sources of generating project ideas?	10	L 1	CO1
	b)	How technical analysis play important role in project Financing?	10	L 2	CO2
		OR			
	b)	Discuss how Market and Demand analyses can play important role in project planning?	10	L 2	CO2

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Q.3	**Answer the following:**				
	a)	Elaborate scheme of Government on start-up and stand-up India?	10	L 2	CO3
		OR			
	a)	What are the tools of testing financial feasibility of project?	10	L 2	CO3
	b)	Explain sources of Long-term financing to project finance?	10	L 2	CO4
		OR			
	b)	Classify short term sources of finance be used for project financing.	10	L 2	CO4
Q.4	**Answer any Two**				
	a)	How Sensitivity analysis and Scenario analysis will use to minimize project risk in project Management?	10	L 3	CO5
	b)	Explain the relationship between decision tree analysis and business decisions?	10	L 3	CO5
	c)	'In project management different uncontrollable situations may occur'. Explain the different types of project risks.	10	L 3	CO5
Q.5	**Answer any Two**				
	a)	1: Selling Price per unit Rs. 40/- 2: Installed capacity is 2, 00,000 units p.a. In the first year of operation 50% capacity will be utilized. There after capacity will increase by 10% every year. 3: From one metric ton of raw material 500 units are produced. The cost of raw material is Rs. 9000/- per M.T. 4: Direct Labour is Rs. 4/- per unit and variable expenses are Rs.3/- per unit] 5: The project uses diesel generator for running the machines. For one hour of running the generator consumes fuel of Rs.100/-. Forty units are produced per hour. 6: Fixed Costs include: (At 100% capacity utilization) A} Administrative expenses 80,000/- p.a. B} Selling & Dist Expenses 60,000/- p.a. C} Depreciation to be changed on WDV the following assets. Land NIL, Building 10%,Machinery 20%,Misc. Fixed Assets 5% 7: The project cost includes Land 5, 00,000/-,Building 8, 00,000/-,Machinery 12, 00,000/-. Misc. Fixed Assets 3, 00,000/- Terms loan to be obtained from bank is Rs.15, 00,000/- to be repaid in 5 equal annual Installments carrying interest @ 14% p.a. to be charged on the opening balance each Year. 8: Increase in working capital is as under I year 60,000/- II year 40,000/- III year 50,000/- IV year 60,000/- V year 70,000/- 9: Income Tax rate is to be taken @ 20% Prepare schedule of Repayment of Term loan.	10	L 4	CO6
	b)	Prepare Projected Profit & Loss Account. Refer Q5 (a)	10	L 4	CO6
	c)	Prepare Debt Service Coverage Ratio workings. Refer Q5 (a)	10	L 5	CO6

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