

Jan. 2010

Roll No.

Subject Code—3181-X

M.B.A. EXAMINATION

(Fourth Semester)

(Re-appear)

FM-405

**PROJECT PLANNING, ANALYSIS AND
MANAGEMENT**

Time : 3 Hours

Maximum Marks : 100

Note : Attempt any *Five* questions. All questions carry equal marks.

1. Explain briefly the aspects of a business environment that need to be monitored as well as the dimensions along which a firm may appraise its strengths and weaknesses for identifying investment opportunities.

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2. What do you understand by capital expenditure ? Explain the difficulties faced in capital expenditure decisions.
3. What aspects are considered in technical analysis ? How would you take on the alternative ways of transforming an idea into a concrete project ?
4. (a) Describe briefly the various means of financing a project.
(b) Discuss the points that must be kept in mind while estimating the working capital requirement of a project.
5. (a) Explain the rule of 69 and 72, with help of suitable examples.
(b) A firm's earnings grew from Re. 1 per share to Rs. 3 per share over a period of 10 years. The total growth was 200 percent, but the CAGR was less than 20 percent. Why ?

6. If equipment costs Rs. 5,00,000 and lasts 8 years, what should be the minimum annual cash inflow before it is worthwhile to purchase the equipment ? Assume that the cost of capital is 10 percent.
7. Discuss the initiatives taken to improve the quality of public investment decision making in India, with special reference to check cost overrun in PSUs in India.
8. (a) "The NPV method assumes that the intermediate cash flows are reinvested at a rate of return equal to the cost of capital of the firm." Demonstrate.
(b) "Cash projections of a project needs to be adjusted for abnormality." Comment.