

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, April/May 2018

Program: M. Plan Spz. Urban & Regional Planning
Course: Project Appraisal and Planning
Course Code: MPLC 742

Semester: 2
Max. Marks: 100
Duration: 03 hrs.

Instructions: Laptops and Mobile Phones are not allowed. Use of Calculator is allowed for numerical/problems.

Section – A – Short Answer Type Questions (Word Limit – 60)

All questions are compulsory. (5 Questions x 4 Marks) = 20 Marks

S. No.	Statement of Question	Marks	CO
Q 1	Discuss and define the 'Life Cycle' and 'Sub-Contracting' in any infrastructure project? What are the importance of above during development of any project?	4	
Q 2	Explain the concept of 'Future Value of Money'? What would be the value of principal amount after three years if an investor invest Rs 12, 000, 00/- which pays back a return with rate of return of 10.5 percent annually?	4	
Q 3	Discuss about the Financing Institutions/Funding Agencies/Loan lending banks for development of projects in India? What is the role of these institutions? Name any 4 institutions.	4	
Q 4	Discuss and elaborate the major prominent issues during development and implementation of projects in India. Name any 3 project monitoring tools and project management software.	4	
Q 5	Illustrate and explain the concepts of Project Formulation, Result Assessment and Project Documents. Mention the project development cycle. Support the answer with examples/cases. OR Describe and explain the role of Public Private Partnership (PPP) in development and implementation of infrastructure projects in India. Discuss the fast track and large scale funding under the very famous JnNURM by Govt. of India.	4	

Section – B – Medium Answer Type Questions (Word Limit – 200)

All questions are compulsory. (5 Questions x 8 Marks) = 40 Marks

Q 1	Explain the term 'Project Appraisal'. Define the delivery and key issues during the	8	
-----	---	---	--

	project appraisals. Describe and elaborate on the types of the appraisals in any project? Mention various reports be prepared during project development. Support your answer with an examples.		
Q 2	What do you understand by Capital Budgeting of the projects by the authorities? Discuss about the process, criteria and decisions of capital budgeting in all aspects and focusing on cost and revenue parts of any project. Support your answer with an examples.	8	
Q 3	What do you understand by risk assessment and allocation with respect to implementation of any infrastructure project in current scenario of funding? Explain and discuss the methods, process and types of risks in a project? Describe the techniques of risks management. Support the answer with examples.	8	
Q 4	<p>Explain and discuss the terms Project Crashing Time, Project Crashing Cost, Cost Control and Cost Reduction in any project execution. Describe aspects, areas and techniques of cost control, features and techniques of cost reduction during project development. Support the answer with cases/examples/scenario.</p> <p>OR</p> <p>Describe and explain the Payback Period method as a non-discounted criteria in project finance with advantages and disadvantages. A company involves a cash outflow of Rs 12000 Cr as part of investment/capital expenditure in initial year (zero year) in a project. MD of company also decides to include Rs 500 Cr of surplus to this investment. The project is expected to generate annual cash flow of Rs 787 Cr in initial 4 years, Rs 878 Cr in next 5 years and Rs 989 Cr in another 5 years. Company has set targets of 14 years. Please check whether the plant is viable or not?</p>	8	
Q 5	<p>What do you understand by the terms Accounting Rate of Return (ARR) and Internal Rate of Return (IRR) as part of any project financial appraisal? A company decides to invest in a project which includes an initial investment (zero year) of Rs 5000 Cr for 7 years. The machinery and equipment include a salvage value of Rs 00.00 Cr at the end of the project. Company pays an equal tax of Rs 150 Cr per annum for tenure of the project. Company also realize profit of Rs 185 cr in 2nd, 295 cr in 3rd, 255 cr in 4th, 275 cr in 5th, 330 cr in 6th and 275 cr in 7th year respectively. The expected rate of return for company is 11.00%. Check the feasibility of investment by the company.</p> <p>OR</p> <p>Explain and discuss the NPV and Profitability Index as part of capital budgeting criteria in project appraisal. Management of an infrastructure company decide to invest in an urban transport project with following details: Present value of Initial Investment/cash outflows is required of Rs 650 cr in 0 yr, 355 cr in 1st yr, 225 cr in 2nd yr and 115 cr in 3rd yr respectively. Present value of future net cash inflows is Rs</p>	8	

	105 cr in 1 st yr, 145 cr in 2 nd yr, 265 cr in 3 rd yr, 345 cr in 4 th yr and 515 cr in 5 th yr respectively. The tenure of the project is 5 years. Calculate the profitability index and NPV for the project.		
Section – C – Long Answer Type Questions (Word Limit – 500)			
All questions are compulsory. (2 Questions x 20 Marks) = 40 Marks			
Q1	<p>“A capital budgeting decisions may be defined as the firm’s decision to invest its current funds most efficiently in the long-term assets in anticipation of an expected flow of benefits over a series of years. In the investment analysis, it is cash flow which is important, not the accounting profit. As part of Capital Budgeting decisions, a wide range of capital budgeting criteria are suggested for selection of any project. Comment and Review the same within the context. Define, Explain and Discuss the Capital Budgeting Criteria such as NPV, IRR, B/C Ratio, Pay Back Period and ARR. Candidate is expected to use information as per his knowledge potential. Citing examples/calculations/cases/numerical would be appreciated.</p>	20	
Q2	<p>“Social Cost Benefit Analysis (SCBA) also called as Economic Analysis, is a methodology developed for evaluating investment projects from the point of view of the society, community and economy as a whole. SCBA aids in evaluating individual projects within the planning framework which spells out national economic objectives and broad allocation of resources to various sector. In other words, SCBA is concerned with Tactical Decision making within the framework of macro level.” Comment and review the statement. Define and Discuss the SCBA in detail. Explain the importance, approach and methods of SCBA in any project. Support your answer with examples/cases/numerical/graphs/sketches/charts. Citing calculations would be appreciated.</p> <p>OR</p> <p>“Project Monitoring plays a vital and critical part in project’s manager decision making process. It is an important and valuable requirement of project management tool/plan. If put in place correctly and timely, it can help project managers and their teams foresee potential risks and obstacles that is left unaddressed during the development of projects. Project evaluation is a systematic and objective assessment of an ongoing or completed project. The aim is to determine the relevance and level of achievement of project objectives, development, effectiveness, efficiency, impact and sustainability. Evaluations also feed lessons learned into the decision-making process of the project stakeholders, including donors and national partners.” Define and Discuss the above statement in detail. Explain the importance, approach and methods of same in any project. Support your answer with examples/cases/numerical/graphs/sketches/charts. Citing live cases would be appreciated.</p>	20	