

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May,2019

Course: Law on Project Finance
Programme: B.B.A., LL.B. (Hons.) BIF/ITIL
Course Code : LLBL313

Semester: IV
Time: 03 hrs.
Max. Marks: 100

Instructions : As per each section mentioned below

SECTION A (ATTEMPT ANY FIVE)

10 Marks

		Marks	CO
Q1.	What is venture capital and how it facilitates for the success of a project?	2	CO1
Q2.	Define Merges with examples.	2	CO4
Q3.	What is IPO?	2	CO2
Q4.	Define break-even point.	2	CO1
Q5.	What are PPP projects ?	2	CO1
Q6.	Name the various forms of risks involved in projects.	2	CO1

SECTION B (ATTEMPT ANY FOUR)

20 Marks

Q7.	What factors should you consider for project identification and evaluation?	5	CO3
Q8.	Describe the role of BIFR in project monitoring.	5	CO2
Q9.	What are the various sources of finance for investing in a project?	5	CO1
Q10.	What are the symptoms and causes of financial sickness?	5	CO1
Q11.	What is Operating Cycle (OC) and how it is measured?	5	CO1

SECTION-C (ATTEMPT ANY TWO)

20 Marks

Q12.	Explain the concept, application and stages of UNIDO approach for project evaluation with an example.	10	CO1
Q13.	What are the different types of fund-based and non fund-based facilities provided by banks to an entrepreneur? Discuss their importance.	10	CO3
Q14.	A business called ABC Manufacturing has following data for the current financial year:	10	CO1

	<p>ABC Manufacturing Current Assets: Total current assets = \$1 million</p> <p>Cash in the bank: \$100,000</p> <p>Outstanding accounts receivables: \$400,000</p> <p>Inventory: \$500,000</p> <p>ABC Manufacturing Current Liabilities: Total current liabilities = \$755,000</p> <p>Outstanding accounts payable: \$300,000</p> <p>Short-term debt payments due this year: \$30,000</p> <p>Portion of long-term debt due this year: \$25,000</p> <p>Other accrued expenses for this year (e.g. rent, payroll, etc.): \$400,000</p> <p>Calculate gross and net working capital of the company. Also state if company is in strong financial position for the coming year and what strategies should be adopted to improve its working capital.</p>		
SECTION-D			
Q15.	What types of information are required to study the commercial and financial feasibility of a project? As a project manager who's also being a lawyer how will you analyze these information? Discuss.	15	CO1
Q16.	Discuss the role of various legal and statutory bodies in handling the specific IL&FS case financial fraud. What due diligence steps by you as a lawyer could have prevented this?	10	CO3
Q17.	Case Study :- Balance Sheet and Profit & Loss Account of Fantasy Ltd. Is given below. Analyze the financial health of the company through the ratio analysis. If the company initiates new projects in similar field of clothing what will you suggest.	25	CO2

The following Trading and Profit and Loss Account of Fantasy Ltd. for the year 31-3-2015 is given below:

Particular	Rs.	Particular	Rs.
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To Opening Stock	76,250	By Sales	5,00,000
“ Purchases	3,15,250	“ Closing stock	98,500
“ Carriage and Freight	2,000	By Gross Profit b/d	
“ Wages	5,000		
“ Gross Profit b/d	2,00,000		
	5,98,500		5,98,500
To Administration expenses	1,01,000	“ Non-operating incomes:	2,00,000
“ Selling and Dist. expenses	12,000	“ Interest on Securities	1,500
“ Non-operating expenses	2,000	“ Dividend on shares	3,750
“ Financial Expenses	7,000	“ Profit on sale of shares	750
Net Profit c/d	84,000		
	2,06,000		2,06,000

Balance Sheet of Fantasy Ltd for year ending 31-03-2015: -

Particular	Rs.	Particular	Rs.
Equity Share Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8,000	Land and Buildings	40,000
8% Loan on Mortgage	32,000	Furniture & Fixtures	16,000
Creditors	16,000	Stock	12,000
Bank overdraft	4,000	Debtors	12,000
Taxation (Current)	4,000	Investments	4,000
Taxation (Future)	4,000	(Short-term)	12,000
Profit and Loss A/c	12,000	Cash in hand	
	1,20,000		1,20,000

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SECTION A (ATTEMPT ANY FIVE)

10 Marks

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Q1.	In a typical project finance transaction the equity is generally twice the debt, explain.	2	CO1
Q2.	Define Acquisitions with examples.	2	CO4
Q3.	What do you mean by Angel Funding?	2	CO2
Q4.	What are the important profitability ratios ?	2	CO1
Q5.	Explain underwriting commission.	2	CO1
Q6.	What do you mean by break-even analysis ?	2	CO1

SECTION B (ATTEMPT ANY FOUR)

20 Marks

Q7.	Explain the rehabilitation measures and turnaround strategies for the sick projects.	5	CO3
Q8.	How will you evaluate a project based on financial implication?	5	CO2
Q9.	Ratio analysis is an important tool for financial analysis of a firm. Explain.	5	CO1
Q10.	Explain PPP projects and name different types of them.	5	CO1
Q11.	Write a note of credit rating agencies role for valuation of projects.	5	CO2

SECTION-C (ATTEMPT ANY TWO)

20 Marks

Q12.	Discuss in detail the various sources of obtaining project finance in India.	10	CO1
Q13.	Write a note on feasibility report used for areas of project appraisal and financial analysis criteria.	10	CO3
Q14.	What are the sources of finance available to an entrepreneur in financing his venture? Explain the features of various funded and non-funded facilities given by banks	10	CO1

SECTION-D

Q15.	Discuss the mistakes normally committed by management in project execution which may lead to project failure. Explain role of lawyer in the reference for financial and leasing company like IL&FS.	15	CO4
Q16.	<p>Jeet Manufacturing has following data for the current financial year:</p> <p>Holding Current Assets: Total current assets = \$1 million</p> <p>Cash in the bank: \$100,000</p> <p>Outstanding accounts receivables: \$400,000</p> <p>Inventory: \$500,000</p> <p>Jeet Manufacturing Current Liabilities: Total current liabilities = \$755,000</p> <p>Outstanding accounts payable: \$300,000</p> <p>Short-term debt payments due this year: \$30,000</p> <p>Portion of long-term debt due this year: \$25,000</p> <p>Other accrued expenses for this year (e.g. rent, payroll, etc.): \$400,000</p> <p>Critically analyze and calculate the gross and net working capital of the company.</p> <p>Appraise the new strategies for the company to improve its WC in the coming year.</p>	10	CO3
Q17.	<p>Case Study :-</p> <p>The Balance Sheet as on 2014 for Rastogi and Company Pvt Ltd are as under.</p> <p>Analyze the financial health of the company through the ratio analysis. Indicate key financial parameters to adjudge the working capital and future growth of the company for diversifying.</p>	25	CO2

Liabilities	2014	Assets	2014
Equity share capital	1,00,000	Land and	50,000
General Reserve	12,500	Buildings	57,500
Profit & Loss A/c	10,000	Plant Machinery	10,000
Creditors	5,000	Stock	7,500
Bills payable	3,750	Debtors	5,000
O/s. Expenses	1,250	Cash & Bank	2,500
Provident Fund	7,500	Bills Receivable	7,500
		Preliminary Exp.	
	1,40,000		1,40,000

Profit & Loss A/c. for FY-2014 of Rastogi and Company Pvt Ltd.

Particulars	2014	Particulars	2014
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To Op. Stock	5,000	By Sales	62,500
To Purchase	37,500	By Closing Stock	10,000
To Office Exp.	7,500	By Profit on Sale of	2,500
To Selling exp.	5,000	Furniture	
To Fin. Exp.	2,500		
To Net Profit	17,500		
	75,000		75,000