

Time:- 2 ½ Hours

Marks : 75

N.B. 1) All questions are compulsory.

- 3) Figures to the right indicate full marks.
- 4) Working note is the part of your answer.
- 5) Use of simple calculator is allowed.

Q1 Objectives Questions**A. Match the Following (any 8)****(8)**

<u>A</u>	<u>B</u>
1. Crash Project	A. Vilfredo Pareto
2. National Project	B. Form of instalment credit
3. Informal Organisational structure	C. Product assortment
4. Network structure	D. Technology
5. Profitability Index	E. Leader of Project Team
6. Project Manager	F. Benefit cost ratio
7. Technical Feasibility	G. Virtual organisation
8. Product mix	H. Formed by the employees to get psychological satisfaction
9. Hire Purchase	I. Set up within the national boundaries of a country
10. Pareto Analysis	J. Complete project within stipulated time

B. State whether the following statement are True or False (any 7)**(7)**

1. Project selection is a process to assess each project idea and select the project with highest returns.
2. ARR does not consider the time value of money.
3. Project Management should maintain high professional standards.
4. Depreciation is a non-cost item
5. A feasibility study is used to determine the viability of an idea.
6. In a matrix organisation structure employees may report to only one manager.

7. Equity capital being the risk capital carries fixed rate of dividend.
8. The project life cycle consists of 10 phases.
9. Project Management Maturity Model has 8 levels.
10. Profit maximization is the prime objectives of public sector project.

Q2 A company can make either of two investments. Required rate of return is 10%. Calculate Net Present Value and Profitability Index for each project from the following details. (15)

Particular	Project A	Project B
Cost of Investment (Rs.)	2,00,000	2,00,000
Expected Life (no salvage)	5 years	5 years
Cash Inflow: Year 1	60,000	90,000
2	30,000	50,000
3	80,000	30,000
4	30,000	20,000
5	80,000	90,000

Year	1	2	3	4	5
PV of rs.@10%	0.909	0.826	0.751	0.683	0.621

OR

Q2

- A. Explain the Needs of Project Management. (08)
- B. Explain Strategic Business Unit (SBU) in project management. (07)

Q3 Calculate the degree of Operating Leverage, Financial Leverage and Combined Leverage from the given data. (15)

Particular	ABC Ltd	XYZ Ltd
Output (units)	50,000	20,000
Selling price per unit (Rs.)	5	4
Variable cost per unit (Rs.)	2	2.50
Fixed cost (Rs.)	16,000	10,000
Interest (Rs.)	5,000	10,000

OR

Q3

- A. Explain different types of Project Feasibility Study. (08)

B. Explain Customer Requirement Analysis. (07)

Q4 Following is the Balance Sheet of ABC Ltd as on 31st March, 2024. (15)

Liabilities	Amount	Assets	Amount
50,000 equity share of rs.10 each	5,00,000	Goodwill	50,000
General Reserve	1,00,000	Building	4,00,000
10% Debenture	4,00,000	Plant and Machinery	2,50,000
Profit and Loss a/c	25,000	Investment	1,00,000
Bill Payable	25,000	Debtors	90,000
Creditors	50,000	Bank	60,000
		Stock	1,50,000
	11,00,000		11,00,000

For the last five year ended 31st March, the company's profits after tax were as follows:

2020	2021	2022	2023	2024
Rs.85,000	Rs.90,000	Rs.96,000	Rs.1,10,000	Rs.1,39,000

The company set aside 10% of profit for general reserve. The fair rate of return in the industry may be taken at 10%. Find out value per share on the basis of yield method.

OR

Q4

A. Explain types of risk in projects. (08)

B. Explain the term Planning-Monitoring-Controlling Cycle. (07)

Q5 Sun Ltd intends to invest in a project where in the capital investment would be to the extent of rs.5,000 lakhs depreciable equally over five years. The tax rate applicable to the company is 30%.it is considering availing a five-year term loan from ABC bank to the extent of 70% of the project cost. The principal amount of this loan would be repayable equally along with interest payable on reducing balance. The interest rate would be 9% per annum. The projected earnings before interest and tax for the next five years are: (15)

Year	1	2	3	4	5
Rs. (lakhs)	1,120	1,260	1,400	1,470	1,610

You are Required to prepare:

1. Income statement for the 5 years
2. Amortisation Schedule for loan.
3. Calculate the Debt Service Coverage and Interest Coverage ratio for the above five years.

OR

Q5 Write a short note :(any three) (15)

1. Characteristics of Project Management.
2. Environment Impact Assessment.
3. Sources of Finance.
4. Project Management Information System.
5. Reasons of Termination of Projects.
