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MBA 4th Semester Examination

Project Planning, Analysis & Management

FM-10

Time : 3 Hours   **Max. Marks : 60**

The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary/ continuation sheet will be issued.

Note :   Attempt five questions in all. All questions carry equal marks.

1.   Why Market and Demand Analysis is a prerequisite of project management? How would you conduct the Market and Demand Analysis for a project?

2.   What is Financial Analysis? What are components of costs of a project?

3.   "Social cost benefit analysis of a project is necessary even if it is commercially not viable." Do you agree? Why?

4.   Why are capital expenditures often the most important decisions taken by a firm? Explain the difficulties faced in capital expenditure decisions.

5.   What are key issues which a project manager should take into consideration while doing Technical Analysis. Also explain the steps involved in technical analysis.

6. Elucidate the steps involved in generation of project idea. Discuss suggestions helpful in scouting for project ideas.

7. Describe the procedure for calculating a project's required rate of return as per the capital asset pricing model (CAPM). Also discuss the relationship between equity beta and asset beta when taxes exist.

8. Discuss the procedure for determining whether a project should be continued, terminated, or divested. What needs to be done to identify potential investment opportunities?

9. (i) Consider a set of five projects:

Project	Investment Outlay (Rs.)	Expected Annual Cash Inflow (Rs.)	Project Life (Years)
M	50,000	18,000	10
N	100,000	50,000	4
0	120,000	30,000	8
P	150,000	40,000	16
Q	200,000	30,000	25

Rank the five projects on the dimensions of NPV, IRR and BCR. Discount rate is 10%.

(ii) Discuss the sources of capital rationing.

10. (i) What steps are involved in PERT analysis?

(ii) A project consists of the following
      activities represented in terms of
      preceding and succeeding events. Draw
      its network diagram.

Activity	Mean Time (Weeks)
(1, 2)	4
(1, 3)	2
(1, 4)	3
(2, 4)	5
(3, 4)	6
(4, 5)	2
(5, 7)	3
(2, 5)	1
(4, 7)	5