

[Total No. of Questions - 10] [Total No. of Printed Pages - 3]  
(2064)

14928

MBA 4th Semester Examination

Project Planning Analysis & Management (O.S.)

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. Consider a set of six projects:

<i>Project</i>	<i>Investment Outlay (Rs.)</i>	<i>Expected Annual Cash Inflow (Rs.)</i>	<i>Project Life (Years)</i>
A	70,000	20,000	12
B	400,000	80,000	15
C	300,000	75,000	18
D	300,000	90,000	5
E	250,000	60,000	9
F	500,000	100,000	10

(a) Rank the SIX projects on the dimensions of NPV, IRR and BCR. Discount rate is 10%.

(b) Discuss different kinds of project dependency. (12)

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[P.T.O.]

2. (i) What is the basic difference between PERT and CPM?
- (ii) A project consists of 12 activities and their time estimates are shown below.

Activity	Time (In Weeks)		
	$T_o$	$T_m$	$T_p$
(1,2)	4	6	10
(1,3)	3	7	12
(1,4)	5	6	9
(1,7)	2	4	6
(2,4)	6	10	20
(2,6)	3	4	7
(2,7)	5	9	15
(3,4)	3	7	12
(4,5)	2	4	5
(5,6)	1	3	6
(3,7)	2	5	8
(6,7)	1	2	6

Draw the network diagram and determine the critical path.

(12)

3. (i) "The optimal capital budget for the firm as a whole can be drawn up only when capital investment decisions are completely centralized." Comment.
- (ii) What is the difference between economic accounting and mental accounting?

(12)

4. If you are a Project Manager of your company which is planning to set up its franchise restaurant in your city so do a complete Market and Demand analysis for your restaurant. (12)
5. What are the similarities and differences between the UNIDO approach and the Little-Mirrlees approach? Also discuss the principal sources of discrepancy between social costs & benefits on the one hand and monetary costs & benefits on the other. (12)
6. Explain with the help of an example the problem of time and cost overrun in Public Sector Enterprises in India. (12)
7. Give various sources of project financing and their prerequisites. Also briefly describe the contents of the Cash Flow Statement and the Balance Sheet. (12)
8. Discuss the procedure commonly used in practice to test the CAPM and what is the empirical evidence on the CAPM? Also elucidate despite its limitations, why is the CAPM widely used? (12)
9. What factors have a bearing on the choice of technology and choice of a location? How would you determine the kinds of machinery and equipment required for a manufacturing industry? (12)
10. Why Environmental Appraisal of projects is a prerequisite of project management? How would you conduct the Environmental Appraisal for a project? (12)