

Name:

Enrolment No:



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

Program: B. Plan

Course: Project Formulation, Appraisal and Management

Course Code : BPLC 322

Time: 03 hrs.

Semester: 6

Max. Marks: 100

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 'Technical Appraisal' and 'Financial Appraisal' in any infrastructure project? What are the importance of above during development of any project?	4	
Q 2	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	
Q 3	Discuss and elaborate the content of Feasibility Study Reports and Detailed Project Reports. Explain the importance and position of both with respect to the project development. Support the answer with examples, cases, and live projects.	4	
Q 4	Discuss very briefly about Accounting Rate of Return, Net Present Value and Internal rate of Return. Explain the importance of each capital budgeting criteria in project finance. Support the answer with examples, cases, and live projects.	4	
Q 5	Discuss and explain the terms Team work and Risks during development of any infrastructure project. How do you appreciate and appraise the both with respect to the project management and funding parts? OR Explain the concept of 'Future Value of Money'? What would be the value of principal amount after three years if an investor invest Rs 18, 000, 00/- which pays back a return with rate of return of 11.60 percent annually?	4	

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

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

Q 1	Explain and discuss the terms Project Activation and Project Operation as part of project implementation stages/phases in a project. Define the approaches of project implementation, project implementation plan and factors affecting project implementation. Support the answer with examples, cases, charts etc.	8	
Q 2	What are the pre-requisites for successful implementation of the infrastructure projects? Discuss and elaborate on the project management software, project monitoring tools and prominent issues while developing/implementing the projects. Support the answer with examples, cases, charts, sketches, live cases.	8	
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. 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.	8	
Q 4	<p>What do you understand by the Cash Flow Statement for any company or project? Elaborate on the components of cash flow statement with respect to their position. Discuss the sources of funds/income/revenue and disposition of funds/cost/expenditures for any infrastructure project. Support the answer with examples, cases, charts etc.</p> <p>OR</p> <p>Discuss the concepts of Network Analysis, Critical Path Method and Progame Evaluation and Review Technique methods. Explain the importance, key steps, advantages and disadvantages of Critical Path Method in a project. Compare the Critical Path Method and Progame Evaluation and Review Technique method.</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 2500 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 85 Cr per annum for tenure of the project. Company also realize profit of Rs 85 cr in 2nd, 98 cr in 3rd, 135 cr in 4th, 145 cr in 5th, 185 cr in 6th and 230 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>“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>	20	
Q2	<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> <p>OR</p> <p>“Project formulation process is a collection of interrelated actions and activities that take place in order to achieve a set of previously specified products, results or services. The project team is in charge of executing the formulation, evaluation and project management processes. The processes (tasks and activities) have clear dependencies and are done following the same sequence in each project. They are independent from the area of application approaches. These groups of processes consider the multidimensional nature of formulation, evaluation and project management.” Define and Discuss the above statement in detail. Explain the importance, approach, preparation, analysis, diagnosis, design, assessment and documentation under this for any project. Support your answer with examples/cases/numerical/graphs/sketches/charts. Citing live cases would be appreciated.</p>	20	