Name: **Enrolment No:**	

UPES
End Semester Examination, May 2023

Course: Asset Management **Semester: VIII**
Program: B.Tech. GIE **Time : 03 hrs.**
Course Code: PEGS 4002 **Max. Marks: 100**

Instructions:

SECTION A
(5Qx4M=20Marks)

S. No.		**Marks**	**CO**
Q. 1	Define the term asset management system.	[4]	CO1
Q.2	Explain the term LTI.	[4]	CO2
Q.3	List the outcomes of not setting the objective of asset management in a company.	[4]	CO2
Q.4	Define IRR and illustrate its decision rules.	[4]	CO1
Q.5	Distinguish between After Action Review and Peer Review.	[4]	CO6

SECTION B
(4Qx10M= 40 Marks)

Q .6 (a) Compute the Pay Back Period for an asset with an initial investment of $45,000 that provides an annual cash flow as below: [10] CO1

Year	Cash Flows ($)
1	10,000
2	15,000
3	20,000
4	20,000
5	15,000
6	10,000

	Using the payback period decision model, you as an asset manager, take a decision whether the project can be accepted or not with a 4-year cut -off period for recapturing the initial cash outflow. OR, (b) Campbell industry incorporated the use of Profitability Index model for projects A and B. The future cash flows and the discount rates of each project are given below. Compute the profitability index of each project. As an asset manager, take a decision about which project should be chosen for investment for your company based on profitability index.		

Cash Flows	Project A	Project B
Cost	$1,500,000	$2,000,000
Cash Flow Year 1	$350,000	$700,000
Cash Flow Year 2	$350,000	$600,000
Cash Flow Year 3	$350,000	$500,000
Cash Flow Year 4	$350,000	$400,000
Cash Flow Year 5	$350,000	$300,000
	4%	13%

Q.7	(a) Illustrate with examples the impact of the application of technology in asset management. (b) Illustrate 80/20 Rule with examples.	[4+6]	CO4
Q.8	Describe the factors based on which the key decisions for asset management are made.	[10]	CO3
Q.9	Describe the qualitative and quantitative information that are required for look back process.	[10]	CO6

SECTION-C **(2Qx20M=40 Marks)**			
Q.10	Describe the following common mistakes that are often committed by any company or organization in managing the asset: (i) Misalignment with Strategy; (ii) Optimistic Assumptions; (iii) Gaps in Communication; (iv) Prematurely (Hastily) setting a facility design; (v) Incomplete understanding of Risks & Uncertainties. **OR,** (i) Setting aggressive first production targets; (ii) Inadequate front-end loading; (iii) Misaligned reward system; (iv) Unclear Accountability; (v) Improperly funded and under resourced teams.	[20]	CO5
Q.11	(a) Define the term Post Auditing. (b) Illustrate the objective of post auditing (c) Describe the classification of audit. (d) Illustrate its importance as a process of learning from the past mistakes.	[2+2+ 6+10 =20]	CO6