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 **PRESIDENCY UNIVERSITY**

 **Bengaluru**

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| **End - Term Examinations – MAY 2025** |
| **Date:** 22-05-2025 **Time:** 09:30 am – 12:30 pm |

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| **School:** SOM-UG | **Program:** BBA General with Finance |
| **Course Code** : BBA3010 | **Course Name:** PROJECT FINANCE AND APPRAISAL |
| **Semester**: VI | **Max Marks:** 100 | **Weightage:**50% |

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| CO - Levels | CO1 | CO2 | CO3 | CO4 |  |
| Marks | 28 | 28 | 41 | 26 |  |

Instructions:

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

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| --- |
| **Answer ALL the Questions. Each question carries 2 marks. 10Q x 2M=20M** |
| 1. | Describe financial analysis of a project. | 2 Marks | L1 | CO1 |
| 2. | Describe project life cycle. | 2 Marks | L1 | CO1 |
| 3. | List out four project regulators in India. | 2 Marks | L1 | CO1 |
| 4. | Name any two sources of positive NPV. | 2 Marks | L1 | CO2 |
| 5. | Define project rating index | 2 Marks | L1 | CO2 |
| 6. | Define demand forecasting. | 2 Marks | L1 | CO2 |
| 7. | Define SCBA. | 2 Marks | L1 | CO3 |
| 8. | Define externalities. | 2 Marks | L1 | CO3 |
| 9. | Name two financial institutions involved in project financing. | 2 Marks | L1 | CO4 |
| 10. | State working capital | 2 Marks | L1 | CO4 |

**Part B**

**Answer ALL the Questions. Each question carries 7 Marks. Total Marks 35M**

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| 11. | a. | Discuss the key components of feasibility study. | 07 Marks | L2 | CO1 |
| Or |
| 12. | a. | Distinguish between private sector and public sector projects. | 07 Marks | L2 | CO1 |

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| 13. | a. | Give a short note any 5 project regulators in India. | 07 Marks | L2 | CO2 |
| Or |
| 14. | a. | Explain project rating index with an example. | 07 Marks | L2 | CO2 |

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| 15. | a. | Explain the process of estimating the total cost of a project.  | 07 Marks | L3 | CO3 |
| Or |
| 16. | a. | VKP Ltd. plans an investment which requires an initial cost of 125000. Annual cash inflows expected are 25000, 40000, 45000, 50000. Calculate NPV if the discount rate is 10%. | 07 Marks | L3 | CO3 |

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| 17. | a. | Explain the significance of Social Cost Benefit Analysis (SCBA) in project evaluation? Compare and contrast the UNIDO and LM approaches to SCBA. | 07 Marks | L3 | CO3 |
| Or |
| 18. | a. | Ashok Ltd. wants to diversify the operation by investing in a project which costs Rs. 200,000. The expected cash inflows from the project are 50000, 40000, 30000, 50000 and 60000. Find out the Payback period.  | 07 Marks | L3 | CO3 |

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| 19. | a. | Discuss how financial institutions appraise a project before financing? | 07 Marks | L2 | CO4 |
| Or |
| 20. | a. | Elaborate SEBI guidelines related to project financing and public issue of securities? | 07 Marks | L2 | CO4 |

**Part C**

**Answer any Three Questions. Each question carries 15 marks 3Q x 15M=45M**

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| 21. | a. | Describe any 5 project investment proposals and explain the different stages of project cycle. | 15 Marks | L2 | CO1 |

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| 22. | a. | Elaborate the Porter model of assessment of profit potential of industries. Also explain Project Rating Index. | 15 Marks | L2 | CO2 |

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| 23. | a. | Prestige Ltd. plans to invest in a project that requires an investment of 2,50,000 rupees. Following are the cash inflows expected of the project 50000, 55000, 60000, 75000, 100000. Calculate IRR of the project. Use trial rates 8% and 12%. | 15 Marks | L3 | CO3 |

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| 24. | a. | Explain the structure of financial institutions in India. How do financial institutions appraise a project before financing? | 15 Marks | L2 | CO4 |