



**PRESIDENCY UNIVERSITY, BENGALURU**  
**SCHOOL OF MANAGEMENT**

Max Marks: 100

Max Time: 180 Mins

Weightage: 40 %

**Set A**

**Comprehensive Examination**

I Semester 2016-2017

Course: **MBA A 213 : Project Finance**

16 December 2016

**Part A**

Answer the following Questions

(10 Q x 2 M= 20 Marks)

1. Define the term "Capital Investment "
2. Define the term "Maximum Permissible Bank Finance"
3. Define a "Growth Strategy" relative to Project Financing
4. State the four [4] categories of Companies envisaged by the BCG Matrix.
5. Distinguish between "Divestiture" and "Diversification" in terms of Capital Budgeting
6. State what do understand by the term "Project Rating Index".
7. Identify nay three [3] major methods of Demand Forecasting.
8. State the four [4] principles associated with Cash Flow Estimation.
9. What is meant by "Means of Finance" in terms of Project Management? Give any two [2] constituents of the same.
10. Distinguish between "Net Present Value" and "Internal Rate of Return"

**Part B**

Answer the following Questions

(8 Q x 5 M= 40 Marks)

11. Explain, in fair detail, the various aspects that are looked into when conducting financial analysis in respect of any project.
12. Distinguish in detail, between BCG Matrix and General Electric's Spotlight Matrix when making a decision on allocation of funds across projects
13. Discuss, in detail, the concept of "Life Cycle Approach" in terms of project financing.

14. Write Short Notes on the following

a] Characterisation of Market

b] Project Rating Index

15. Define a "Marketing Plan" Discuss the various components of a Marketing Plan.

16. Discuss, the key business considerations relevant for a project financing decision.

17. Explain, with reference to Investment Criteria the various measures adopted in evaluating feasibility of projects. Do stress on the accept/reject criterion of each measure

18. Explain the different elements of a Cash Flow. Diagrammatically represent the same in terms of a Time Line.

### Part C

Answer the following Questions

(2 Q x 20 M= 40 Marks)

19. "To judge a project from the financial angle, one needs to gather information about different aspects of a project. Each of these aspects plays a very dominant role in a project financing decision. Given the fact the many an investment has found itself in distress one needs to have a clear perspective of the impact of these aspects on a project financing decision" You are requested to state these various financial evaluation parameters and discuss their impact on the said decision

20. "Generally companies strive for growth in revenues, assets and profits. But from the project financing perspective there is need to evaluate the various strategies adopted by the promoter in planning their business development. It is believed that there is a paramount requirement to find an optimal fit between the capabilities of the firm the opportunities in the external environment. Strategic Planning considers cross-sectional relationships, time-series relationships and the risk profile of the business." Discuss the value of this statement in terms of the various components of the Grand Strategy

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