

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2019**

**Course:** Project Management & Finance

**Program:** BBA LLB/Corporate Law) BIFT&IT/B. Com LLB (TL)

**Course Code:** CLNL3002

**Semester:** Vth

**Time:** 03 hrs.

**Max. Marks:** 100

**Instructions:**

Attempt **all questions** from **Section A** (each carrying 1x 10 mark=10 marks); any **Five Questions** from **Section B** (each carrying 5x4 marks= 20 marks), any **Four Questions** from **Section C** (each carrying 4x5 marks=20 marks). **Section D** ( 50 x10 marks)

**Section A**

1.	Attempt all questions:	1	CO1
	1. _____ of a firm refers to the composition of its long-term funds and its capital structure.		
	a. Capitalisation	1	CO4
	b. Over-capitalisation		
	c. Under-capitalisation		
	d. Market capitalization		
	2. In the _____, the future value of all cash inflow at the end of time horizon at a particular rate of interest is calculated.	1	CO1
	a. Risk-free rate		
	b. Compounding technique		
	c. Discounting technique		
	d. Risk Premium		
	3. When _____ is greater than zero the project should be accepted.	1	CO1
	a. Internal rate of return		
	b. Profitability index		
	c. Net present value		

		d. Modified internal rate of return	1	CO4
E)		4. _____ is defined as the length of time required to recover the initial cash out-lay. a. Payback-period b. Inventory conversion period c. Discounted payback-period d. Budget period	1	CO3
F)		5. ....is a specialised firm that finances young, start- up companies, a. Venture capital firm b. Finance companies c. Small business finance companies d. Capital-Creation Company	1	CO2
G)		6. Venture capital firms are usually organised as a. Closed end mutual fund b. Limited partnership c. Corporations d. Non-profit businesses	1	CO1
H)		7. _____ specifies all the terms of a loan and the obligations of the borrower. a. Negative pledge clause b. Covenant c. Loan agreement d. General routine provision	1	CO5
I)		8. _____ lease is a long-term lease that is not cancellable, and its life often matches the useful life of the asset. a. A financial b. An operating c. Both a &b e. None of these.	1	CO4
J)		9. _____ is a set of activities which are networked in an order and aimed towards achieving the goals of a project. a. Project b. Process c. Project management d. Project cycle 10. Which one of the following is not a benefit of decision tree? a. Easy to understand b. Helpful in generating rules c. Can be Quite large d. Reduce problem complexity	1	CO5

<b>SECTION B (Attempt any 5 questions)</b>																																
1	What is project Management?		4	CO1																												
2.	Define Cost of capital		4	CO1																												
3	Short note IRR		4	CO3																												
4	Discuss Decision Tree		4	CO4																												
5	Define Working Capital Management (WCM) .		4	CO5																												
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<b>SECTION C (Attempt any two questions)</b>																																
6	Explain venture capital? Discuss the features and how they contributor to the budding enterprises?		10	CO2																												
7	What is lease financing? List the advantages and types.		10	CO1																												
8	Discuss Capital Budgeting and its techniques.		10	CO4																												
<b>SECTION D (Attempt all questions)</b>																																
9	Discuss various factors behind the success and failure of a project.		10	CO5																												
10	Discuss the benefits and limitations of payback period.		10	CO2																												
11	Explain Net Present Value (NPV) Discuss any two techniques with examples.		15	CO1																												
12	Calculate Payback period and choose the project which is more beneficial for company Funds to be invested Rs 2, 50,000		15	CO3																												
	<table border="1"> <thead> <tr> <th colspan="2">Cash inflows - Project A</th> <th colspan="2">Cash inflows – Project B</th> </tr> </thead> <tbody> <tr> <td>1 year</td> <td>75000</td> <td>1 year</td> <td>50000</td> </tr> <tr> <td>2 year</td> <td>62000</td> <td>2 year</td> <td>50000</td> </tr> <tr> <td>3 year</td> <td>60000</td> <td>3 year</td> <td>50000</td> </tr> <tr> <td>4 year</td> <td>50000</td> <td>4 year</td> <td>40000</td> </tr> <tr> <td>5 year</td> <td>47000</td> <td>5 year</td> <td>40000</td> </tr> <tr> <td>6 year</td> <td>30000</td> <td>6 year</td> <td>40000</td> </tr> </tbody> </table>		Cash inflows - Project A		Cash inflows – Project B		1 year	75000	1 year	50000	2 year	62000	2 year	50000	3 year	60000	3 year	50000	4 year	50000	4 year	40000	5 year	47000	5 year	40000	6 year	30000	6 year	40000		
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