

SM-256

Total No. of Pages : 3

Seat No.	
----------	--

**M.E. (Civil) (Construction Management) (Part - I) (Semester - I)
Examination, May - 2017**

PROJECT EVALUATION AND FINANCING

Sub. Code : 34319

Day and Date : Monday, 15 - 05 - 2017

Total Marks : 100

Time : 10.00 a.m. to 1.00 p.m.

- Instructions :**
- 1) Attempt any three questions from each section.
 - 2) Figures to the right indicate full marks.
 - 3) Make suitable assumptions wherever necessary and mention them clearly.

SECTION - I

- Q1) a)** Explain the use of economic factors in financial appraisal process of projects. [8]
- b) Determine the amount of money a person must deposit now in order to be able to purchase a property 10 years from now. The present price of the property is Rs. 15 lakhs and the inflation rate is expected to be 8%. His deposit earns an interest at the rate of 12% per year. [8]
- Q2) a)** Compare various criteria used for financial appraisal of a project. [8]
- b) Compare the following alternatives assuming an interest rate of 18%. [8]

	New Machine A	Old Machine
First cost	Rs. 4,40,000	Rs. 2,30,000
Annual operating cost	Rs. 70,000	Rs. 90,000
Annual repair cost	Rs. 2,500	Rs. 3,500
Overhaul every two years	----	Rs. 20,000
Salvage value	Rs. 40,000	Rs. 30,000
Life in years	16	8

P.T.O.

- Q3) a)** What are the common techniques available for project risk analysis? Briefly explain anyone technique. [8]
- b)** Compare the two processes below at 14% per year [8]

	Process M	Process N
First Cost	Rs. 8,00,000	Rs. 12,00,000
Salvage value	Rs. 10,000	Rs. 18,000
Life in Years	10	15
Annual Operating Cost	Rs. 15,000	Rs. 13,000
Annual revenues	Rs. 4,50,000	Rs. 5,50,000

If annual operating cost of process M is increased to Rs. 18,000 and annual operating cost of process N is increased to Rs. 25,000 is the decision sensitive to these increase in costs?

- Q4) a)** Write a note on effect of inflation on economic appraisal of projects. [6]
- b)** Explain IRR method of economic appraisal. [6]
- c)** Briefly explain the types of risk involved in projects. [6]

SECTION - II

- Q5) a)** Differentiate between direct and indirect financial assistance. Explain the objectives of providing these assistances to construction projects. [8]
- b)** What factors do you consider to estimate working capital requirements for the project? [8]

- Q6) a) Explain the role of site accounts in construction firm. [8]
 b) List and briefly explain the methods available for calculating depreciation amount in construction field. [8]
- Q7) a) Trace progress made by private participation in government projects with reference to construction field over the last three decades. [8]
 b) List and briefly explain various models emerged under PPP of projects. [8]
- Q8) a) Differentiate between securities and borrowings. [6]
 b) Explain the process of standard budgeting. [6]
 c) Write a note on ECB. [6]



SUK-TKT

SUK-TKT

SUK-TKT

SUK-TKT