

Q.P. Code : 01729

[Time: 2½ Hours]

[Marks: 75

Please check whether you have got the right question paper.

- N.B:
- 1) All questions are **compulsory** subject to internal choice.
 - 2) Figures to right indicate full marks.

Q. 1 Attempt **any two** questions:-

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- a. Define Project Management and explain its characteristics.
- b. Explain different forms of organization.
- c. ABC company Ltd. Is considering the following two investment proposals requiring a net cash outlay of ₹ 24,00,000 and ₹ 34,00,000 The after tax cash inflows are tabulated below:-
Rank these projects in order of their profitability according to the net present value method.

Assume that firms cost of capital is 15%

Year	Project A (₹)	Project B (₹)	PV of Re 1 @ 15%
1	2,00,000	10,00,000	0.870
2	6,00,000	13,00,000	0.756
3	9,00,000	17,00,000	0.658
4	13,00,000	10,00,000	0.572
5	9,00,000	7,00,000	0.497

Q. 2 Attempt **any two** questions:-

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- a. Explain the scope of project feasibility.
- b. Write a note on Market Analysis.
- c. Explain Production Planning and control in operational Analysis.

Q. 3 Attempt **any two** questions:-

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- a. Explain the sources of finance available for project financing.
- b. Calculate operating leverage, financial leverage and combined leverage.

Particulars	X	Y
Sales	18,00,000	5,00,000
Variable cost	6,00,000	1,00,000
Fixed cost	72,000	15,000
Interest	40,000	20,000

TURN OVER

- c. XYZ Ltd. Proposes to take over ABC Ltd. Goodwill may be taken at ₹1,92,000 for XYZ Ltd. and ₹76,000 for ABC Ltd. the stock of XYZ Ltd. and ABC Ltd. to be taken at ₹4,08,000 and 2,84,000 respectively.

Their financial position as on 31st December, 2016 were:-

Liabilities	XYZ Ltd.	ABC Ltd.	Assets	XYZ Ltd.	ABC Ltd.
Equity share capital (₹10)	10,00,000	4,00,000	Fixed Assets	8,00,000	2,00,000
General Reserve	4,00,000	40,000	Investment	2,00,000	-
Profit & Loss	2,00,000	60,000	Stock	4,00,000	2,60,000
Creditors	2,00,000	1,00,000	Debtors	3,40,000	1,20,000
			Cash & Bank	60,000	20,000
	18,00,000	6,00,000		18,00,000	6,00,000

Calculate the Net Asset Value per share and find out the exchange ratio.

Q. 4 Attempt any two questions.

- Explain in detail Project Management Maturity model.
- Write a note on project monitoring and controlling.
- How to review a project.

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Q. 5 Solve the following case:-

Darshan Ltd is furnishing you the following information:-
Proposed set up at Nashik.

- Tax rate is @ 35%
- Expected ROI @ 25%
- Depreciation per annum ₹250 Lakhs.
- Term loan Required ₹4000 Lakhs
- Interest rate @ 10%
- Tenure of loan = 8 years repayable with installment at the end of each year
- Principle Amount is payable in equal installment of ₹500 Lakhs each year.
- Tax holiday for first 5 years.

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TURN OVER

The cost of the proposed project and the means of finance are as follows:-

Proposed Project	₹ (in Lakhs)
Cost of Project:-	
Plant and Machinery	3,000
factory Building	1,000
Working capital	400
	4,400
Means of Finance	
Additional Equity share capital	300
Retained Earnings	100
Term Loan	4000
	4,400

Finance manager of the financial institution has requested you to :-

- Prepare Loan Amortization schedule
- Evaluate the profitability for 5 years.