MCOSC-3.2A/D

Sl. No.

III Semester M.Com. Degree Examination, October/November - 2025

COMMERCE

Project Appraisal and Infrastructure Finance

(CBCS, SLM Semester Scheme)

Time : 3 Hours **Maximum Marks : 80**

SECTION - A

Answer any Four questions. Each question carries 5 marks. **(4×5=20)**

1. What can a firm do to stimulate the flow of project ideas?

2. What key issue would you examine in a preliminary screening exercise?

3. What are EOT and LOT?

4. What are the key challenges in infrastructure financing?

5. What is meant by operational viability and financial feasibility?

6. Describe the typical configuration of a PPP.

SECTION - B

Answer any Three questions. Each question carries 10 marks. **(3×10=30)**

7. What is feasibility of a project? How a detailed feasibility study report is prepared? Discuss its components.

8. Explain the challenges faced by a project manager in balancing cost, time and quality.

9. Discuss the role of financial institutions in project financing.

10. Describe the concept of work break down structure in project planning.

11. What are the principal issues considered and the criteria employed by financial institutions in appraising projects?

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SECTION - C

Answer any Two questions. Each question carries 15 marks. (2×15=30)

12. What are critical success factors in project management and explain the key elements of control process in a project?

13. What efforts have the Government and RBI made to attract investment in infrastructure?

14. Ajeet corporation is considering the risk characteristics of a certain project. The firm has identified that the following factors, with their respective expected values, have a bearing on the NPV of this project.

	Rs.
Initial investment	30,000
Cost of capital	10%
Quantity manufactured and sold annually	1,400
Price per unit	30
Variable cost per unit	20
Fixed cost	3,000
Depreciation	2,000
Tax rate	50%
Life of the project	5 years
Net salvage value	Nil

Assume that the following underlying variables can take the values as shown below:

Underlying variable	***Pessimistic***	***Optimistic***
Quantity manufactured and sold	800	1800
Price per unit (Rs.)	20	50
Variable cost per unit (Rs.)	40	15

a) Calculate the sensitivity of net present value to variations in (i) quantity manufactured and sold, (ii) price per unit, and (iii) variable cost per unit.

b) Calculate the accounting break-even point and the financial break-even point.

15. The normal and crash times and direct costs for the activities of a project are shown below:

Activity	Time		Cost	
	Normal	**Crash**	**Normal**	**Crash**
(1-2)	5	2	6000	9000
(2-4)	6	3	7000	10000
(1-3)	4	2	1000	2000
(3-4)	7	4	4000	8000
(4-7)	9	5	6000	9200
(3-5)	12	3	16000	19600
(4-6)	10	6	15000	18000
(6-7)	7	4	4000	4900
(7-9)	6	4	3000	4200
(5-9)	12	7	4000	8500

a) Draw the network diagram.

b) Determine all normal and critical paths.

c) Find the minimum cost project schedule if the indirect costs are Rs. 1000 per week.
