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UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2017

Program: **Int BCom LLB Taxation Law- B1/B2**
Semester – **III**
Subject (Course): Project Finance **Max. Marks : 100**
Course Code : BBCF113 **Duration : 3 Hrs**
No. of page/s : 4

Section-A

Q1 Multiple choice questions. All questions are compulsory (Marks 10X2=20)

1) Project selection criteria are typically classified as:

   a) Financial and non financial
   b) Short term and long term
   c) Strategic and tactical
   d) Required and optional
   e) Cost and schedule

2) Which of the following is not considered to be a characteristic of a project?

   a) An established objective
   b) A clear beginning and end
   c) Complex task
   d) Only for internal use
   e) Never been done before

3) From among the following activities, which is the best example of a project?

   a) Processing insurance claims
   b) Producing automobile
   c) Writing a term paper
   d) Completing a college degree
   e) All of these are good examples of projects

4) Which of the following choices is not one of the stages of a project life cycle?

a) Conceptualizing
b) Defining
c) Planning
d) Executing
e) Delivering

5) In which of the following stages are project objectives established, teams formed, and major responsibilities assigned?

a) Conceptualizing
b) Defining
c) Planning
d) Executing
e) Delivering

6) In which of the following stages are you more likely to find status reports, many changes, and the creation of forecasts?

a) Conceptualizing
b) Defining
c) Planning
d) Executing
e) Delivering

7) Which of the following choices is not one of the driving forces behind the increasing demand for project management?

a) Compression of the product life cycle
b) Knowledge explosion
c) Development of third world and closed economies
d) More emphasis on the product and less on the customer
e) Corporate downsizing

8) Project management is ideally suited for a business environment requiring all of the following except

a) Accountability
b) Flexibility
c) Innovation
d) Speed
e) Repeatability

9) A series of coordinated, related, multiple projects that continue over extended time intended to achieve a goal is known as a

a) Strategy

b) Program
c) Campaign
d) Crusade
e) Venture

10) Which of the following is not one of the commonly heard comments of project managers?

a) Where did this project come from?
b) Why are we doing this project?
c) How can all these projects be first priority?
d) Why is this project so strongly linked to the strategic plan?
e) Where are we going to get the resources to do this project?

Section B Answer the following (4*5=20 marks)

Q1 Write short notes on network diagram and explain advantages of network method over bar chart and milestone chart.

Q2 explain advantages of network method over bar chart and milestone chart.

Q3 Explain PERT.

Q4 Write short notes on CPM

Section C Answer any two (30 marks)

Q1 Explain change control and process of control (15 Marks)

Q2 Explain the process of preparing Project Requirements Document.(15 Marks)

Q3 Payback Period – Given the cash flows of the four projects, A, B, C, and D, and using the Payback Period decision model, which projects do you accept and which projects do you reject with a three year cut-off period for recapturing the initial cash outflow? Assume that the cash flows are equally distributed over the year for Payback Period (15 Marks)

Projects	***A***	***B***	***C***	***D***
Cost	$10,000	$25,000	$45,000	$100,000
Cash Flow Year One	$4,000	$2,000	$10,000	$40,000
Cash Flow Year Two	$4,000	$8,000	$15,000	$30,000
Cash Flow Year Three	$4,000	$14,000	$20,000	$20,000
Cash Flow Year Four	$4,000	$20,000	$20,000	$10,000
Cash Flow year Five	$4,000	$26,000	$15,000	$0
Cash Flow Year Six	$4,000	$32,000	$10,000	$0

Section D Answer any one (30 marks)

Q1 Given the following four projects and their cash flows, calculate the discounted payback period with a 5% discount rate, 10% discount rate, and 20% discount rate. What do you notice about the payback period as the discount rate rises? Explain this relationship.

Projects	***A***	***B***	***C***	***D***
Cost	$10,000	$25,000	$45,000	$100,000
Cash Flow Year One	$4,000	$2,000	$10,000	$40,000
Cash Flow Year Two	$4,000	$8,000	$15,000	$30,000
Cash Flow Year Three	$4,000	$14,000	$20,000	$20,000
Cash Flow Year Four	$4,000	$20,000	$20,000	$10,000
Cash Flow year Five	$4,000	$26,000	$15,000	$10,000
Cash Flow Year Six	$4,000	$32,000	$10,000	$0