Name: Enrolment No:	UPES UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2019

Course: Asset Management **Semester: VIII**
Program: B.Tech.GSE /GIE **Time 03 hrs.**
Course Code: GSEG 411 **Max. Marks: 100**

Instructions:

SECTION - A
(ALL QUESTIONS COMPULSORY)

S. No.		Marks	CO
Q.1	Explain why is asset management important.	[4]	CO1
Q.2	Explain the significance of the term Cost Vs. Value Trade Off in asset management.	[4]	CO2
Q.3	Define the term Quality Assurance in asset management	[4]	CO3
Q.4	Define the term Look Back Process or Post Auditing.	[4]	CO6
Q.5	Illustrate the benefits of selecting right technology in asset management.	[4]	CO4
	SECTION B		
Q.6	Asset costs are influenced by whether FEL has been considered meticulously but, once decisions are made, facility costs end – up with very little degree of freedom to influence them in the operating phase. The options that only remain for reducing operating costs is through Commercial Opportunities, De-bottlenecking & Operational Efficiency. Explain these options.	[10]	CO4
Q.7	Illustrate how the internal factors of a company can influence the asset value.	[10]	CO2
Q.8	Describe Front End Loading and Decision Mapping tool in asset management. **OR** Illustrate 80/20 Rule with examples.	[10]	CO4
Q.9	(a) Define the scope of Post Audit. (b) Illustrate the timing of Post Audit and describe the process of Post Audit	[2+8]	CO6

SECTION - C

Q.10	Describe the ten most common mistakes committed in industry in managing assets.	**[20]**	**CO5**
Q.11	(a) Define the term PI. (b) Illustrate the decision Rule for PI. (c) Given the discount rate as 13% and the future cash flows for six years from a project as below, compute the PI and considering yourself as an asset manager of a company take your decision whether you will accept the project or not.	**[2+2+16]**	**CO1**

Year	Cash Flows
0	- $3,000,000.00
1	$100,000.00
2	$500,000.00
3	$1000,000.00
4	$1500,000.00
5	$200,000.00
6	$500,000.00

OR

(a) Define the term Pay Back Period
(b) Illustrate the advantages and disadvantages of Pay Back Period.
(c) Given the cash flows of the four projects, E, F, G & H, and using the pay back period decision model, which projects do you accept and which you reject with a three year cut off period for recapturing the initial cash outflow?

Projects	**E**	**F**	**G**	**H**
Cost	$40,000	$250,000	$75,000	$100,000
Cash Flow Year 1	$10,000	$40,000	$20,000	$30,000
Cash Flow Year 2	$10,000	$120,000	$35,000	$30,000
Cash Flow Year 3	$10,000	$200,000	$40,000	$30,000
Cash Flow Year 4	$10,000	$200,000	$40,000	$20,000
Cash Flow Year 5	$10,000	$200,000	$35,000	$10,000
Cash Flow Year 6	$10,000	$200,000	$20,000	$0