

Time: 2½ Hours

Total Marks: 75

- Note: (1) All questions are compulsory.  
 (2) Figures to the right indicate full marks.

**Q.1. Objective questions:**

Q1. A) State whether the following statements are True or False (Any eight) **(08)**

1. Project management focus on integrating the needs of various stakeholders.
2. In informal organisation structure each individual is assigned a specific job.
3. Risk –free rate is the borrowing rate of the investor.
4. Time is the most important constraint of any project.
5. Negotiation is very essential in order to get the best bargain for the project.
6. Threats are internal condition that could damage the project.
7. A market analysis is an only quantitative assessment of a market.
8. In lease financing the user called lessor.
9. Resource risk arises from outsourcing and personnel related issues.
10. Plan-do-check-act also known as Shewhart cycle.

b) Match the column (Any seven) **(07)**

Sr.No.	Particulars	Sr.No.	Particulars
1.	Crash Project	A	Checking the quality of works
2.	Network structure	B	Non-numeric project selection models
3.	The sacred cow	C	Improve the standard of living in society
4.	Quality control and assurance	D	Assessing production capacity
5.	Collaborative negotiation	E	Virtual organisation
6.	Social cost benefit analysis	F	Investment activities of company
7.	Public finance	G	Project finalization
8.	Operating Leverage	H	Finance of the government
9.	Capacity planning	I	Seeks to create a 'win-win' scenario
10.	Project Termination	J	Completed within a stipulated time

Q2) M/S Blue Bird is considering a purchase of a machine, X and Y are the two machine **(15)** available. From the following information, suggest which of the two is recommended under:

- 1) Net Present Value
- 2) Profitability Index

Particulars	Machine X	Machine Y
Cost	4,00,000	5,40,000
Life	5 Years	5 Years
<b>Profit After Tax (PAT)</b>		
Year 1	14,000	15,000
Year 2	14,000	30,000
Year 3	40,000	40,000
Year 4	20,000	40,000
Year 5	15,000	20,000

The present value at 10 % is as follows.

Year	Present Value
1	0.909
2	0.826
3	0.751
4	0.683
5	0.621

**OR**

Q2) a) What is project management? Explain importance of project management. (08)

b) Explain strategic business unit (SBU) in project management in detail. (07)

Q3) Calculate the Degree of Operating leverage, Degree of financial leverage and Degree of combined leverage for the following firm and interpret the result. (15)

Firms	P	Q	R
Output (Units)	60,000	15,000	1,00,000
Fixed cost (Rs.)	7,200	14,000	1,500
Variable cost per unit (Rs.)	0.20	1.50	0.02
Interest on Borrowed Capital (Rs.)	4,000	8,000	Nil
Selling price per unit (Rs.)	0.60	5.00	0.10

**OR**

Q3) a) What are different types of project feasibility studies? (08)

b) Explain importance of operational analysis. (07)

Q4) The following Balance sheet of M/S Orange Ltd. as on 31<sup>st</sup> March 2018. (15)

Liabilities	Rs	Assets	Rs.
40,000, 8 % Cumulative Preference share of Rs. 10 each	4,00,000	Land & Building	2,20,000
30,000 Equity shares of Rs. 10 each	3,00,000	Plant & Machinery	4,40,000
General Reserve	1,10,000	Furniture	80,000
Profit & Loss A/C	1,00,000	Stock	3,10,000
Current Liabilities	1,00,000	Debtors	3,50,000
Provision for depreciation	4,55,000	Cash & Bank	1,70,000
Provision for taxation	90,000	Deferred	70,000
Proposed Dividend	85,000	Advertisement Expenses	
	<b>16,40,000</b>		<b>16,40,000</b>

The turnover, net profit and dividend paid on equity shares for the last 3 years.

Year	Turnover (Rs)	Net Profit (Rs.)	Dividend on Equity Shares (percentage)
2014-15	31,20,000	3,05,000	15%
2015-16	40,44,000	4,50,000	15%
2016-17	50,00,000	5,60,000	18%

Calculate the Fair Value of equity shares of the company based on Earning basis and Dividend basis, assuming that the Fair Return on investment in the company is (Normal Rate Return) 12%.

OR

Q4) a) Explain different levels of Project Management Maturity Model (PMMM). (08)

b) What is Computerized Project Management Information System (PMIS). (07)

Q5) M/S White provides the following information (15)

Year	Profit Before Interest & Tax (Rs. in Lakhs)
1	60
2	80
3	100

Other information:

1. Tax rate is 40%.
2. Loan is repayable in 3 equal instalments at the end of each year with interest.
3. Loan amount is Rs.420 lakhs @ 12% p.a.
4. Capital investment in project Rs.600 lakhs depreciable equally over 3 years.

You are required to:

1. Prepare Loan amortization schedule
2. Prepare income statement first three years
3. Calculate Debt Service Coverage Ratio
4. Calculate Interest Coverage Ratio

OR

Q5) Write short notes (Any three) (15)

- 1) SWOT Analysis
- 2) E- Commerce in project management
- 3) Market Analysis
- 4) Matrix Organisation
- 5) Conflicts and Negotiation