

succeeding events. Draw its network diagram and indicate the critical path.

Activity	Time in day
1-2	13
1-3	12
2-4	2
3-4	8
2-5	15
4-5	2



2017

Time : 3 hours

Full Marks : 70

Candidates are required to give their answers in their own words as far as practicable.

The questions are of equal value.

*Answer any **seven** questions.*

1. What Qualities are required to the successful businessman ?
2. How do you identify good investment opportunities ? Enumerate the popular tools for the same.
3. GMR Ltd. is setting up a new Airport near Mumbai with a investment of 5,000 crore. The income from the same is expected to

be 1,000 crore in the 1st year and direct expenses would be 40%. The project has been financed by IDBI bank to the extent of 75% and the balance 25% by equity.

Other assumptions :

- (a) Interest on loan from IDBI is 12% per annum.
- (b) Depreciation is assumed at 10% per annum on straight line method.
- (c) Income and expenses are expected to rise by 5% per Annum.

Prepare the project Profit and Loss A/c for the next 3 year.

- 4. What is NPV. How is it useful for project evaluation ?
- 5. What is Project Network ? How is it useful for implementation of a project.

6. Write short notes on any **four** of the following :

- (a) Time value of money
- (b) Debt Vs Equity
- (c) Foreign Direct Investment
- (d) Product Mix
- (e) Term loan Vrs Cash credit
- (f) Direct cost and Indirect cost in a project

- 7. How do you finance a project. Explain briefly how to reduce cost of finance.
- 8. What is Payback Period ? Explain the usefulness and limitations of the same in selecting a project.
- 9. What do you mean by right capacity for a project. What factors would you consider to determine the right capacity.
- 10. A project consists of the following activity represented in terms of preceding and