Time: 2 ½ Hours **Total Marks: 75**

Q1. A. True or false. **(Any Eight)** (8)

1. Business risk means risk associated with the firm's operations.
2. SBU is strategic business unit
3. For project to be successful, it should be real and cost efficient
4. All models, however sophisticated are only partial representatives of the reality they are meant to reflect
5. The sacred cow is one of the non numeric model
6. Market feasibility describes the details on legal structure of the business.
7. Project feasibility is a test where the prima facta viability of the investment is evaluated.
8. During a project kick off, SWOT can provide key inputs for project plan.
9. Correlation analysis examines the degree of relationship between two variables.
10. CPM is Combined path method.

Q1. B. Fill in the blanks. **(Any Seven)** (7)

1. ………………………. Is concerned with managing the process that converts inputs into outputs. (operations management/ financial management)
2. Debenture is a part of ……………….. fund. (owned/ borrowed)
3. Companies with more debt have …………… financial risk. (high/ low)
4. …………………… is the period within which the entire cost of the project is recovered by cash inflow. (payback period/ payin period)
5. ………………….. management is the art of managing the conversion period from one organizational design to another (transitional / transpirational)
6. Human resource management is ………………… management. (people/ power)
7. QC stand for _______. (Quality control/Quality case)
8. ……………. Means formal closure of project (project review/ project termination)
9. CPMIS is ……………………… (controlled project management inception system/ computerized project management information system.)
10. Internal financing is ……………………… (retained earning/ equity capital)

Q2. A. What is the need of project management? (5)

B. The management of Dine Electronics Company is considering to purchase an equipment to be attached with the main manufacturing machine. The equipment will cost $6,000 and will increase annual cash inflow by $2,200. The useful life of the equipment is 6 years. After 6 years it will have no salvage value. The management wants a 20% return on all investments. (10)

1. Compute net present value (NPV) of this investment project.
2. Should the equipment be purchased according to NPV analysis?

OR

Q2. C. Explain the process of Project Management. (8)

D. What are the benefits of a project manager? Explain. (7)

Q3. A. What is line and staff organizational structure? (8)

B. Distinguish between PERT and CPM. (7)

OR

Q3. C Explain SWOT Analysis. (8)

D. A Firm has sales of Rs. 40 lakhs. Variable cost of Rs 25 lakhs, Fixed cost of Rs 6 lakhs, 10% debentures of Rs 30 lakhs and equity capital of Rs 45 lakhs. Calculate operating, financial and combined leverage? (7)

Q4. A. Explain the methods of demand forecasting. (8)

B. Explain the various types of project feasibility. (7)

OR

Q4 A. What are the reasons for project termination? (8)

B. Explain the work breakdown structure. (7)

OR

C. Explain the various kinds of risk. (5)

D. Calculate payback period in the following cases. (10)

Particulars	Project A	Project B	Project C
Cash outflow	500,000	800,000	300,000
Annual cash inflow	100,000	150,000	100,000
Life of project	5 years	5 years	10 years

Q5. How does government help in providing financial assistance to start ups? (15)

OR

Q5. Short Notes. **(Any3)** (15)

a. Sources of Finance
b. Risk Management Process
c. Problem Solving Technique
d. Net Present Value
e. Operating Leverage

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