

**FOURTH SEMESTER M.A. DEGREE EXAMINATION, JUNE 2016**

(CUCSS)

Applied Economics

Core X – PROJECT FORMULATION AND EVALUATION

(2012 Admissions)

Time : Three Hours

Maximum : 36 Weightage

**Part A**Answer **all** questions.*Each bunch of **four** questions carries weightage 1.***(A) Multiple Choice Questions :**

1. The present value of a single amount is :

- (a)  $PV = FU \left[ \frac{1}{1+k} \right]^n$                       (b)  $PU: FU (I + K)^n$ .
- (c)  $PV = FU + (I + K)$ .                      (d)  $PV = FU \left[ \frac{1}{1+k/m} \right]^{mn}$

2. Variance which measures risk considers :

- (a) – ve deviation.
- (b) + ve deviation.
- (c) Both positive and negative deviation.
- (d) None of these.

3. Working capital refers to :

- (a) Land.                                      (b) Building.
- (c) Raw material.                              (d) All the above.

4. A project is :

- (a) Plan.                                      (b) A scheme.
- (c) A programme.                              (d) None of these.

**(B) Multiple Choice :**

5. Which of the following is not discounting criteria?

- (a) NPV.                                      (b) BCR.
- (c) Pay back period.                              (d) IRR.

**Turn over**

6. PERT is a technique used for :
- (a) Project planning. (b) Project planning control
- (c) Project appraisal. ~~(d) None of these.~~
7. Among the following, which is the international organization more associated with project management :
- (a) WHO. (b) SEBI.
- (c) IMF. (d) UNIDO.
8. Project monitoring is almost equal to :
- (a) Expost evaluation. (b) Exante evaluation.
- (c) Concurrent evaluation. (d) Evaluation.

(C) Fill in the blanks :

9. Critical path is the ~~path~~ \_\_\_\_\_
10. Discounted payback takes into account \_\_\_\_\_
11. Dummy activity refers to \_\_\_\_\_
12. Cost of production refers to \_\_\_\_\_

(D) True or False :

13. Debenture is a source of capital financing.
14. Delphi method of demand forecasting is a quantitative method.
15. Technical analysis is a part of feasibility study of a project.
16. ARR is non discounting criteria.

(16 x ¼ = 4 weightage)

### Part B (Short Essays)

Answer any **ten** not exceeding **one page** each.

Each question carries 2 weightage.

17. Explain different types of capital investment.
18. Distinguish between Delphi methods and Jury Executive Opinion method.
19. Explain different levels of decision-making. \*
20. What do you meant by preliminary screening? And explain different aspects involved in it.
21. Discuss Monte Carlo simulation method.
22. Outline the structure of a cash flow statement.
23. What are the objectives of capital budgeting?
24. Difference between firm risk and market risk.

25. Explain work schedule in technical analysis.
26. Explain conglomerate diversification.
27. Discuss mutually exclusive project.
28. What do you mean by product mix?

(10 x 2 = 20 weightage)

**Part C (Essay Questions)**

*Answer any **three** not exceeding **three pages** each.*

*Each question carries 4 weightage.*

29. Discuss appraisal criteria.
30. Briefly Explain UNIDO approach.
31. Describe the sources of risk.
32. Examine the relevance of SPACE (Strategic Position and Action Evaluation) in Capital allocation frame work.
33. Mention the important financial ratios used in project analysis.

(3 x 4 = 12 weightage)