FOURTH SEMESTER M.A. DEGREE EXAMINATION, JUNE 2015

(CUCSS)

Applied Economics

Core X—PROJECT FORMULATION AND EVALUATION

Time : Three Hours   Maximum : 36 Weightage

Part A

*Answer **all** questions.*
Each bunch of four questions carries weightage 1.

A   **Multiple Choice questions** :

1 A successful entrepreneur should not possess following traits :

    (a) Leadership.   (b) Decisiveness.

    (c) Ego.   (d) Flexible.

2 The cause and effect relationship can be work out the following methods of demand forecasting :

    (a) Delphi method.   (b) End use method.

    (c) Leading Indicator methods.   (d) Jury execution method.

3 Risk of a project can be analyzed with the help of :

    (a) Standard deviation.   (b) Correlation.

    (c) Arithmetic mean.   (d) Geometric mean.

4 Appraisal is a criterion which is :

    (a) Execrate.   (b) Export.

    (c) Impact analysis.   (d) None of the above.

5 An example of nondiscounting criteria :

    (a) ARR.   (b) NPV.

    (c) IRR.   (d) BIR.

I Multiple Choice :

6 Investment in fields unrelated to existing line of production is called :

    (a) Concentric diversification.   (b) Conglomerate diversification.

    (c) Vertical integration.   (d) None of the above.

Turn over

7 Physical structure of the factory represented in :

    (a) General layout.   (b) Plant layout.

    (c) Organizational layout.   (d) Material layout.

8 Major contribution to the social cost benefit analysis is done by :

    (a) Marshall.   (b) Ricardo.

    (c) Zucas.   (d) Little Mirrless.

C. Fill in the blanks :

9 The difference between a scheme and project is _____

10 One example of project risk is _____

11 Float in CPM means _____

12 Perpetuity means _____

D. True or False :

13 For accepting a project, IRR cost of capital.

14 Export evaluation refers to final evaluation of a project.

15 Cash outflow refers to total cost of a project.

16 Breakeven point occurs when cost is equal to return.

(16 x ¼ = 4 weightage)

Part B

Answer any **ten** *not exceeding* **one** *page each.*
Each question carries a weightage 2.

17 Explain sensitivity analysis.

18 Explain the phases of capital budgeting.

19 Explain the importance of project charts.

20 Explain the rules of network construction.

21 Explain risk profile method.

22 How will you explain the time value of money ?

23 Define NPV and explain its rationale.

24 Explain CPM model.

25 Discuss SWOT analysis.

26 Explain key criteria of a project.

27 Explain the significance of market analysis in a project management.

28 Discuss social cost benefit analysis.

(10 x 2 = 20 weightage)

Part C (Essay Questions)

Answer any **three** *questions not exceeding* **three** *pages each.*
Each question carries a weightage 4.

29 Explain the significance of CPM.

30 Discuss the methods of demand forecasting.

31 Explain the elements of project formulation.

32 Explain the process of identifying a project.

33 Explain the components of project cash flows.

(3 x 4 = 12 weightage)