

Time : 1 Hour 30 Minutes**Marks : 40**

Instructions :

1. All Questions are Compulsory.
 2. Each Sub-question carry 5 marks.
 3. Each Sub-question should be answered between 75 to 100 words. Write every questions answer on separate page.
 4. Question paper of 40 Marks, it will be converted in to your programme structure marks.
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1. Solve any **four** sub-questions.
 - a) Explain principles of warehousing management. 5
 - b) Explain function of purchase department. 5
 - c) Explain five sources for project ideas. 5
 - d) What are the aspects to be seen in Techno-Economic Feasibility report? 5
 - e) Mr. Rajan deposits Rs. 10,000 in a bank now. The interest rate is 10% compounded quarterly. What will be the amount after 5 years? 5

2. Solve any **four** sub-questions.
 - a) Explain cost capacity factor and parameter cost estimation. 5
 - b) Why is estimating project cash flows so important? What are the difficulties in estimating project cash flows? 5
 - c) Your company is considering setting up a project which requires an initial outlay of Rs. 50 crore. The expected cash flows from the project are as follows: 5

Rs. Crore

| Year | Cash inflows |
|------|--------------|
| 1 | 11 |
| 2 | 19 |
| 3 | 32 |
| 4 | 37 |

Find NPV of the project if cost of capital is 20% p.a.

- d) What is BCR? Compare BCR with NPV as a tool for investment appraisal. 5
- e) What is sensitivity analysis? How is it used as a tool for assessment of project risks? 5

