END TERM EXAMINATION

SIXTH SEMESTER [BBA] MAY-JUNE 2015

Paper Code: [BBA/TTM/B&I/MOM]-304	Subject: *Project Planning & Evaluation*
Time: 3 Hours	*Maximum Marks: 75*

Note: Attempt any five questions. All questions carry equal marks.

Q1 Attempt **any five** questions from the following: **(5x5=25)**

(a) While capital investment decisions are extremely important they are very difficult. Elucidate.

(b) Briefly explain different methods of demand forecasting.

(c) What do you understand by informational asymmetry? How does it affect capital budgeting.

(d) Explain different sources of risk and various perspectives on risk.

(e) Discuss the rationale and limitations of Net Present Value (NPV) Rule.

(f) Briefly explain three different ways of raising finances in the primary market.

(g) Explain pros and cons of using CAPM approach to calculate cost of equity.

Q2 "Project planning is an essential part of project management". Comment. Also, explain the essential elements/steps involved in the project planning.**(12.5)**

Q3 The activities, duration and direct activity costs are given below. The indirect cost is Rs. 3000 per week. Starting from the normal duration obtain the crash cost and duration of the project.   **(12.5)**

Activity	Time in Weeks		Cost		Cost to Expedite per week (Cost slope)
	Normal	Crash	Normal	Crash	
1-2	2	2	3000	3000	---
2-3	4	3	4000	5000	1000
2-6	8	8	6000	6000	---
3-4	3	2	2000	3500	1500
3-5	2	2	2000	2000	---
4-6	4	3	4000	5000	1000
5-6	3	3	4000	4000	---
6-7	8	5	8000	12000	1333

Q4 Why do we undertake Market analysis. How do uncertainties in Demand Forecasting impacts Market Planning.   **(12.5)**

Q5 What are the factors which are taken into consideration while finalizing the plant capacity and plant location?   **(12.5)**

Q6 (a) Why does management of human resource a very important aspect of project management. Strengthen your answer with suitable examples.**(7.5)**
    (b) What are the different forms of Project Organization.   **(5)**

Q7 Explain any two risk analysis techniques and common strategies of risk reduction.   **(12.5)**

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