

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2017-19) (Finance)
Sixth Trimester Examination April 2019

Subject	Project Finance		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	1	Date	12.04.2019

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

Mr A wants to start a business of manufacturing rubber items. He has already bought land and is looking for suitable sources of finance.

1. Conduct an analysis for him, which will mainly include demand-supply and market analysis, suggesting feasibility of this project? (10 marks)
2. Develop a suitable Strategy for Mr A, assuming he wishes to increase his customer base to neighboring states of Karnataka and Gujarat, where his presence is fairly new, after establishing his presence in Maharashtra.

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain Contraction Strategy.
- b) "Project Finance is fundamental aspect of Strategic Planning" Do you agree with this statement?
- c) Explain Decision Tree Analysis with an example. Draw a Decision Tree to support your answer (5 marks)

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Elaborate on the importance of Risk Analysis in Project Finance
- b) Explain how Scenario Analysis differs from Sensitivity analysis.
- c) What is Vertical Integration?

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the factors that affect the capital structure decisions of a firm?
- b) Explain Growth Strategy
- c) Elaborate on the importance of Project Finance

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain Time Horizon in detail.
- b) What is Conglomerate Diversification?
- c) Explain Allocation of resources with reference to Strategy

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain Decision Tree Analysis
- b) Explain the phases of Project Finance
- c) "Capital structure decisions involve different degrees of Risk" Comment

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) "Strategy can be defined as achieving the goals of an organisation with available resources" Comment
- b) What points are considered during determination of Time Horizon?
- c) Explain the term Cash Flows