

Reg. No. :

Name :

Fourth Semester B.Com. Degree Examination, May 2021.

First Degree Programme under CBCSS

Elective Course – II: Stream I – Finance

CO 1461.1 – PROJECT FINANCE

(2019 Admn Regular)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in a word or maximum of **two** sentences. Each question carries **1** mark

1. Define Project finance.
2. What is input analysis?
3. Give any two advantages of technical appraisal.
4. What is business risk?
5. What is decision tree analysis?
6. Describe briefly the term net present value.
7. Give any two advantages of project report.
8. Explain the term risk identification.

9. What is a public loan?
10. What is project initiation?

(10 × 1 = 10 Marks)

SECTION – B

Answer **any eight** questions (Not to exceed one paragraph each). Each question carries **2** marks.

11. What is payback period?
12. Name the five phases of capital budgeting decisions.
13. Name the statistical measures of risk.
14. What is mezzanine financing?
15. Define the term diversification.
16. Enumerate the advantages of project finance.
17. What working capital finance?
18. What is a non recourse or a limited recourse liability?
19. What is financial distress?
20. What is capital rationing?
21. What is systematic risk?
22. What is a merger?
23. Differentiate between project investment decisions and project management.
24. What do you mean by disinvestment?

25. What is BOOT in project finance?
26. What is a Special Purpose Vehicle?

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions. (Not to exceed **120** words). Each question carries **4** marks.

27. Why is the environmental appraisal of a project important?
28. What are the five stages of project management?
29. Discuss the key aspects to be considered in the preliminary screening of investment decisions?
30. What do you mean by loan syndication? What are its advantages?
31. Discuss briefly the indicators of social desirability of a project.
32. Discuss the sensitivity analysis technique for analysing project risk.
33. What are the steps involved in planning and executing a project?
34. What type of information is required to study the commercial feasibility of a project?
35. Discuss the factors that have a bearing on the choice of technology.
36. What is financial appraisal? What are the factors to be considered for preparing it?
37. Who are the sponsors in project finance?
38. What are the special issues regarding infrastructure financing?

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions. (Not exceeding **four** pages) Each question carries **15** marks.

39. Define project formulation. Discuss the need for project formulation.
40. What is risk with regard to projects? What are the various risks that can affect projects and how can it be managed?
41. What are the key features of project finance? Discuss the sources of project finance.
42. Discuss the pre-requisites of successful project implementation.
43. Discuss the importance of economic allocation of resources?
44. What do you mean project life cycle? What is its impact on feasibility of a project?

(2 × 15 = 30 Marks)
