

Reg No.: \_\_\_\_\_

Name: \_\_\_\_\_

**APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY**  
EIGHTH SEMESTER B.TECH DEGREE EXAMINATION, MAY 2019

**Course Code: MP484**  
**Course Name: Project Management**

Max. Marks: 100

Duration: 3 Hours

**PART A**

Answer any *three* full questions, each carries 10 marks.

Marks

- 1 a) Name the six broad phases of capital budgeting. Explain each phase in detail. (7)  
b) What can a firm do to stimulate the flow of project ideas? (3)
- 2 a) Write short notes on following portfolio planning tools, (10)  
(i) BCG Matrix  
(ii) General Electric's stoplight matrix
- 3 a) How would you evaluate secondary information? (2)  
b) For the data given in table, set **n** equal to **3** and develop forecasts for the periods **4 to 14** using the moving average method? (8)

Year	1	2	3	4	5	6	7
Demand	2000	2200	2100	2300	2500	3200	3600
Year	8	9	10	11	12	13	14
Demand	4000	3900	4000	4200	4300	4900	5300

- 4 a) Discuss about the general sources of secondary information available in India. (6)  
b) Write any two industry specific sources of secondary information. (4)

**PART B**

Answer any *three* full questions, each carries 10 marks.

- 5 a) Discuss in detail the major components of cost of production in a project. (5)  
b) What consideration should be borne in mind while estimating sales revenues? (5)
- 6 a) How would you evaluate the appropriateness of a technology? (2)  
b) Describe briefly the various means of financing a project. What are the key business considerations which are relevant for the project financing consideration? (8)
- 7 a) What are the three elements of the cash flow stream of a project? (3)  
b) What is the meaning of the term "future value of a single amount"? What is the difference between compound and simple interest? (4)  
c) Suppose you deposit Rs. 1,000 annually in a bank for 5 years and your deposits earn a compound interest rate of 10 percent. What will be the value of this series of deposits (an annuity) at the end of 5 years? (3)

- 8 a) What do you mean by the present value of an annuity? Explain. (4)
- b) You want to borrow Rs 15,00,000 to buy a flat. You approach a housing company which charges 13 percent interest. You can pay Rs 2,00,000 per year toward loan amortisation. What should be the maturity period of the loan? (6)

### PART C

Answer any *four* full questions, each carries 10 marks.

- 9 a) What is NPV? What are the implications of the additivity property of NPV? (4)
- b) Abascus Limited issued 15-year, 14 percent bonds five years ago. The bond which has a face value of Rs 100 is currently selling for Rs 108. (6)
- (i) What is the pre-tax cost of debt?
- (ii) What is the after-tax cost of debt? (Assume a 35 percent tax rate.)
- 10 a) Explain about cost of preference. (4)
- b) What is the internal rate of return of the following cash flow stream? (6)

Year	Cash flow
0	(3000)
1	9000
2	(3000)

- 11 a) What is pay back period? Evaluate payback as an investment criterion? Mention its limitations also. (8)
- b) Why is payback so popular, despite its shortcomings? (2)
- 12 a) "The traditional form of organisation is not suitable for the management of projects." Comment (3)
- b) A project consists of the following activities represented in terms of preceding and succeeding events. (i) Draw its network diagram. (ii) Find the critical Paths. (iii) Find the minimum time required for completing the project. (7)

Activity	Mean Time(weeks)
(1,2)	4
(1,3)	2
(1,4)	3
(2,4)	5
(3,4)	6
(4,5)	2
(5,7)	3
(2,5)	1
(4,7)	5

- 13 a) What is bar chart? What are its advantages and limitations? (5)
- b) Describe the hierarchy of plans. (5)
- 14 a) Explain in details about human aspects of project management. (5)
- b) Explain the rules of network construction in a project (5)

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