



BRAINWARE UNIVERSITY

Term End Examination 2024-2025

Programme – BBA-2022

Course Name – Project Appraisal

Course Code - BBAD502F

(Semester V)

Library
Brainware University
398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Select the primary purpose of project appraisal.
 - a) Assessing the feasibility of a project
 - b) Identifying project team members
 - c) Allocating project resources
 - d) Monitoring project progress
- (ii) Locate the step in project appraisal where financial viability is evaluated.
 - a) Project initiation phase
 - b) Planning phase
 - c) Implementation phase
 - d) Feasibility study phase
- (iii) Identify the type of project that requires a thorough environmental appraisal.
 - a) IT infrastructure project
 - b) Renewable energy project
 - c) Office renovation project
 - d) Marketing campaign
- (iv) Select the criteria used to assess the social impact in project appraisal.
 - a) Return on investment
 - b) Internal rate of return
 - c) Cost-benefit analysis
 - d) Social cost-benefit analysis
- (v) Identify the phase where project objectives are clearly defined.
 - a) Monitoring
 - b) Planning
 - c) Evaluation
 - d) Closure
- (vi) Select the primary purpose of market analysis in project planning.
 - a) To identify potential investors
 - b) To assess project feasibility
 - c) To determine pricing strategy
 - d) To find project location
- (vii) Cite the most critical factor in determining the market size.
 - a) Total population
 - b) Market demand
 - c) Number of competitors
 - d) Marketing budget

- (viii) Identify the type of analysis that focuses on the strengths, weaknesses, opportunities, and threats related to a project.
 - a) Market segmentation
 - b) SWOT analysis
 - c) Demand forecasting
 - d) Risk assessment
- (ix) Select the primary method to gather data on potential customers during market analysis.
 - a) Survey
 - b) SWOT analysis
 - c) Porter's Five Forces
 - d) PEST analysis
- (x) Identify the law that states "all other factors being equal, as the price of a good increases, the quantity supplied increases."
 - a) Law of Demand
 - b) Law of Supply
 - c) Law of Diminishing Returns
 - d) Law of Equilibrium
- (xi) Choose the Non-Discounted Cash Flow method that does not consider the time value of money.
 - a) Net Present Value (NPV)
 - b) Internal Rate of Return (IRR)
 - c) Payback Period
 - d) Discounted Payback Period
- (xii) Choose the advantage of using DCF methods over Non-DCF methods.
 - a) Easier to calculate
 - b) Considers the time value of money
 - c) Ignores cash flow timing
 - d) Provides quicker results
- (xiii) Choose the primary reason for assessing the financial needs of a project.
 - a) To identify potential competitors
 - b) To determine the project's viability
 - c) To evaluate market demand
 - d) To establish a project timeline
- (xiv) Choose the factor that primarily influences the financial needs of a project.
 - a) Project size
 - b) Market competition
 - c) Project location
 - d) Team experience
- (xv) Choose the type of financing that might be needed for long-term projects.
 - a) Short-term loans
 - b) Equity financing
 - c) Trade credit
 - d) Bank overdrafts

Group-B

(Short Answer Type Questions)

$$3 \times 5 = 15$$

2. State the importance of conducting a SWOT analysis for investment opportunities. (3)
3. Explain the role of market segmentation in market analysis. (3)
4. Identify the key components of market analysis and their significance. (3)
5. Explain the concept of sensitivity analysis. (3)
6. You are offered an investment that will pay you Rs 1,000 per year for 5 years. The discount rate is 8%. Calculate Present Value of Annuity. (3)

OR

Evaluate the effectiveness of a monitoring mechanism in tracking project progress. (3)

Group-C

(Long Answer Type Questions)

 $5 \times 6 = 30$

7. Illustrate how a needs assessment influences project identification. (5)
8. Identify the key criteria used to screen project ideas during the identification phase. (5)
9. Illustrate the role of the Logical Framework Approach (LogFrame) in project formulation. (5)

10. Illustrate the application of moving average technique in project forecasting. (5)
 11. Explain the significance of risk analysis in technical project appraisal. (5)
 12. (5)

| Source of funds | Amount | Proportion (w) in total capital structure | Cost of Capital (k) |
|----------------------------------|----------------|---|---------------------|
| Debts | 240,000 | 30% | 5.68% |
| Preference share capital | 80,000 | 10% | 9.33% |
| Equity Share Capital (₹100 each) | 400,000 | 50% | 13.30% |
| Cost of retained earnings | 80,000 | 10% | 13.00% |
| Total | 800,000 | 100% | |

This data can be used for the assess of WACC as demonstrated previously.

OR

Assess the role of indirect social surplus in education through public initiatives. (5)
