1212E1049   Candidate's Seat No :_____

MBA in SCM Sem.-3 Examination
PM & R

Time : 2-30 Hours]   December-2024   [Max. Marks : 70

Q-1 (A) What are the consequences of Poor Project Management.   **7**

     (B) Explain Project Life Cycle and Phases.   **7**

Q-2

A company has to make a choice between two projects A and B. The initial investment of two projects are Rs. 3,10,000 and Rs. 5,90,000 respectively for A and B. the scrap values after 5 years are Rs. 20,000 and Rs. 50,000 respectively. The opportunity cost of capital of the company is 14%. The annual cash flows are as under: **14**

Year	Project A (Rs.)	Project B (Rs.)
1	10,000	1,20,000
2	80,000	2,68,000
3	2,44,000	2,92,000
4	2,18,000	2,74,000
5	1,15,000	2,10,000

You are required to suggest the acceptability of these mutually exclusive projects on the basis of Profitability Index, Net Present Value and Payback Period Method.

OR

A firm is planning to acquire a new machine that requires an initial cash outlay of Rs. 24,000. The machine has a useful economic life of two years without any salvage value thereafter. The cash flows and their related probabilities for the two years are given as below: *14*

Year	Event	CFAT (in Rs.)	Prob.
Year 1	A	9,600	0.2
Year 1	B	13,200	0.6
Year 1	C	18,000	0.2

In the second year the CFAT, corresponding the events A, B and C have the following possible probable occurrences.

Year	Event	CFAT (Rs.)	Prob.	Event	CFAT (Rs.)	Prob.	Event	CFAT (Rs.)	Prob.
Year 2	A1	4,800	0.3	B1	15,600	0.2	C1	19,200	0.1
Year 2	A2	12,000	0.4	B2	18,000	0.6	C2	24,000	0.8
Year 2	A3	18,000	0.3	B3	19,200	0.2	C3	28,800	0.1

Given that the required rate of return is 9%, suggest the acceptability of this project by applying the technique of decision tree analysis.

Q-3 (A) Explain tips for successful project management   **7**

     (B) Mr. X has borrowed Rs. 4,00,000 to be paid in 5 equal instalments (principal plus interest). The rate of interest is 15 %. Prepare an amortization schedule. [(PVIF 15%, 5)=0.497, (PVIFA 5%,15)= 10.380, (PVIFA 15%, 5)= 3.352]   **7**

OR

(P.T.O)

(A) What amount will amount to Rs. 50,000 in five years at 12% compound interest per annum? **(7)**

a. Compounding is done annually
b. Compounding is done semi-annually
c. Compounding is done quarterly.

(B) A company has on its books the following amounts of capital and specific costs of each type of capital. **(7)**

Types of capital	Book value	Market value	Specific cost
Debentures	8,00,000	7,60,000	7%
Preference share capital	4,00,000	2,40,000	10%
Equity share capital	12,00,000		15%
Retained earnings	4,00,000	21,60,000	11%

Determine the weighted average cost of capital using (a) Book value weights (b) Market value weights.

Q-4 (A) A project is to be completed. The estimated time (in days) for different activity are given below. Draw pert chart and determine critical path: **7**

Activity	Optimistic time	Most likely time	Pessimistic time
1-2	8	10	12
1-3	6	8	10
2-4	6	7	10
2-5	8	9	10
2-3	5	6	8
3-5	10	12	14
4-6	6	8	10
4-5	8	9	12
5-6	8	10	14

(B) Write short note on Work break down structure. **7**

OR

Find critical path of the following project and estimate EST, EFT, LST, LFT and total float, free float and independent float time for different jobs. **14**

Job	Preceding job	Estimated time
a	-	10
b	a	9
c	a	7
d	b	6
e	b	12
f	c	6
g	c	8
h	f	8
i	d	4
j	g , h	11
k	e	5
l	i	7

Q-5 (A) How to define a research problem? **7**

(B) Explain any three types of research design. **7**