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Total No. of Pages : 02

Total No. of Questions : 18

**B.Sc. Agriculture (Sem.-7)**  
**FINANCIAL AND PROJECT MANAGEMENT**  
**Subject Code : BSAG-AEB-706**  
**M.Code : 75695**

Time : 3 Hrs.

Max. Marks : 90

**INSTRUCTIONS TO CANDIDATES :**

1. **SECTION-A** is **COMPULSORY** consisting of **TEN** questions carrying **THREE** marks each.
2. **SECTION-B** contains **FIVE** questions carrying **SEVEN AND A HALF (7.5)** marks each and students have to attempt any **FOUR** questions.
3. **SECTION-C** contains **THREE** questions carrying **FIFTEEN** marks each and students have to attempt any **TWO** questions.

**SECTION-A**

**Write short notes on the following :**

1. What do you mean by finance function?
2. What is the life cycle of a Project?
3. Write short note on Social Cost Benefit Analysis.
4. Name five phases of capital budgeting decision.
5. What is Weighted Average cost of capital?
6. ARR vs. IRR.
7. What is operating cycle with reference to working capital?
8. What is the Capital Rationing?
9. Optimum Capital Structure.
10. Ploughing Back of Profits.

### SECTION-B

11. What is meant by project financing? How project appraisal is performed by financial institutions?
12. What are the steps involved in planning of organizing the projects? Discuss various forms of project organization.
13. Define working capital. Explain the determinants of working capital. What are the advantages of adequate working capital?
14. Define risk. What are the types of risk? Discuss the sensitivity analysis techniques for analyzing the project risk.
15. Discuss the advantages and disadvantages of raising funds by issue of equity shares.

### SECTION-C

16. A company is considering an investment proposal to purchase a machine costing Rs. 2,50,000. The machine has a life expectancy of 5 years and no salvage value. The company's tax rate is 40%. The company uses straight line method of providing depreciation. The estimated cash flows before depreciation and tax are as follows :

Year	CFBT (Rs.)
1	60,000
2	70,000
3	90,000
4	1,00,000
5	1,50,000

Calculate :

- a) Average Rate of Return
  - b) Payback Period
  - c) Net Present Value at 10% discount rate
  - d) Profitability Index at 10% discount rate
  - e) Internal Rate of Return
17. Explain the Modigliani and Miller approach on the capital structure, ignoring corporate income taxes. What are its assumptions? Explain how arbitrage process operates with the help of suitable example.
  18. *"The concept of finance function has changed and keeps changing along with the evolution of the content of finance as a business management activity"*. Elucidate.

**NOTE : Disclosure of identity by writing mobile number or making passing request on any page of Answer sheet will lead to UMC case against the Student.**