Compute the Payback Period for the project. If the predetermined period is 3 years, advice the firm whether investment is worthwhile or not. (8)

3. (a) What do you mean by financing a project? Explain Venture Capital and Private Equity as the sources of financing a project. (10)

   (b) Explain the difference between Sensitivity and Scenario Analysis as the methods of project risk analysis. (8)

4. (a) Why should a company carry out Social Cost Benefit Analysis (SCBA) of a project? Explain the two approaches of carrying out SCBA. (10)

   (b) Explain the essential elements that should be included in a Project Report to make it effective. (8)

5. Write short notes on any three of the following: (6*3 = 18)

   1. PERT v/s CPM
   2. Project Life Cycle
   3. Decision Tree Analysis
   4. Environmental Impact Assessment

[This question paper contains 4 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 1825 **I**

Unique Paper Code : 2923062005

Name of the Paper : Project Appraisal, Financing and Control

Name of the Course : **Bachelor in Management Studies (UGCF)**

Semester : III

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll. No. on the top immediately on receipt of this question paper.

2. Attempt all questions.

3. Use of non-scientific calculator is allowed.

4. Use of PVF/PVAF tables are allowed.

P.T.O.

1. A well-established FMCG company, Fresh Delight Ltd., plans to introduce a new line of organic, preservative-free fruit juices in the domestic market. The juices will be sourced from local farms,with a focus on promoting health-conscious products. The company believes there is an increasing demand for organic goods due to rising health awareness, but it faces stiff competition from large, established juice brands and a growing number of small, niche organic producers. Fresh Delight Ltd. needs to conduct a feasibility analysis to assess whether launching this new product line is a viable business decision. The company is concerned about production scalability, consumer price sensitivity, potential regulatory hurdles, and the overall profitability of the venture.

Perform a feasibility analysis for Fresh Delight Ltd.'s new organic fruit juice product line. Evaluate the technical, market, financial, operational, and legal feasibility of the project. Identify the main risks and

challenges in each area and suggest strategies for overcoming them. Based on your analysis, recommend whether the company should proceed with the launch or revise their approach to the project. (18)

2. (a) Consider the following three investments

Year	Cash Flows (INR)		
	Project (A)	Project (B)	Project (C)
0	- 25,000	- 25,000	- 25,000
1	15,000	12,672	24,000
2	15,000	12,672	8,000
3	25,640	12,672	23,568

(i) Calculate the net present value, profitability index, and internal rate of return of each project. Consider 10% as the cost of capital. (10)

(b)

Year	CFAT (Rs.)
0	- 1,00,000
1	35,000
2	40,000
3	50,000
4	30,000