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End Semester Examination, December 2024

Program-B. Com (H) – Ist Semester

COURSE TITLE- PROJECT FINANCE (COURSE CODE- MCBM107)

Time: 2.5 hrs.

Max Marks: **50**

Note: *All Questions are compulsory. Marks are indicated against each question.*

PART-A

Q.1 *Attempt any five questions. These questions carrying two marks for each.*

- (a) (a) How does financial inclusion help reduce poverty in rural India? [CO-1] [L-2] **2**
- (b) Explain the role of Special Purpose Vehicles (SPVs) in project financing. [CO-1] [L-2] **2**
- (c) Differentiate between BOOT and BOT models in Public-Private Partnerships (PPP) and provide an example of each. [CO-1] [L-2] **2**
- (d) What is scenario analysis, and how is it applied in project finance risk assessment? [CO-1] [L-2] **2**
- (e) Describe one major regulatory risk in project finance and its impact on project feasibility. [CO-1] [L-2] **2**
- (f) Explain the concept of Tax Shield on Depreciation and its significance in project finance. [CO-1] [L-2] **2**
- (g) What is the purpose of Cost-Benefit Analysis in project appraisal? How does it influence project decisions? [CO-1] [L-2] **2**

2x5

PART-B

- Q.2 Describe the various risk mitigation methodologies used in project finance, specifically focusing on regulatory and political risks. Provide examples where applicable. [CO-2] [L-3] **10**

OR

Discuss how sensitivity analysis and decision trees are utilized in project finance for assessing potential risks and uncertainties. Provide a detailed example.

[CO-2] [L-3] **10**

- Q.3 Explain the process of cash flow valuation in project finance. How are free cash flows and valuation modeling used to assess project viability? [CO-3] [L-4] **10**

OR

Elaborate different means of financing projects? Discuss the advantages and disadvantages of each financing method in the context of project finance.

[CO-3] [L-4] **10**

- Q.4 Analyze the legal aspects involved in project finance agreements. Discuss the importance of sub-contracts and loan documentation in ensuring project success. [CO-4] [L-4] **10**

OR

Discuss the tax benefits and incentives available for project financing. How do tax holidays and interest subsidies contribute to the financial viability of a project?

[CO- 4] [L-4] **10**

- Q.5 Describe the role of Export Credit Agencies (ECAs) and Development Finance Institutions (DFIs) in financing large-scale projects in developing economies. How do they support project finance? [CO-5] [L-5] **10**

OR

Explain the concept of consortium financing and its significance in project finance. Provide examples of projects where consortium financing was essential.

[CO- 5] [L-5] **10**