

6. What are the different risk and uncertainties involved in capital budgeting ? How can these be mitigated ? 15

#### Unit IV

7. How balance sheet is prepared ? How taxation and inflation can be calculated in construction projects ? 15

8.	Act.	Pre.	Suc.	Normal	Crash	Normal	Crash
		Act	Act.	Dur.	Dur.	Cost	Cost
	A	—	B	4	2	6000	7000
	B	A	C	6	3	6000	7000
	C	B	—	6	4	3500	4000
	D	—	E	5	3	5000	6000
	E	D	F	5	3	6000	6700
	F	E	—	7	4	6000	9000

Considering above table, draw the network and calculate most optimum cost to complete the project if overhead rate is Rs. 750 per day.

15

No. of Printed Pages : 04

Roll No. ....

**BB-663**

**M.C.R.M./M. Tech.**

**EXAMINATION, Dec. 2018**

(Second Semester)

(Re-appear Only)

(CONSTRUCTION AND REAL ESTATE  
MANAGEMENT)

MCRM608

Construction Finance Management

*Time : 3 Hours]*

*[Maximum Marks : 75*

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Before answering the question-paper candidates should ensure that they have been supplied to correct and complete question-paper. No complaint, in this regard, will be entertained after the examination.

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**Note :** Attempt *Five* questions in all, selecting at least *one* question from each Unit. All questions carry equal marks.

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20

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P.T.O.

### **Unit I**

1. A construction firm is investigating two different options to acquire a 20 tonne Crane for its operational purposes : buy or lease for 6 year. The cost of the new Crane (including all the accessories and installation charges) is \$80,000. The firm will need to use the Crane for 6 years and the resale value will be \$25,000. The operating and maintenance costs of the Crane during each year of operation are \$6,000; \$6,500; \$7,000; \$7,500 and \$8,000 respectively. The insurance premium is 5% of the purchased cost and is to be paid at the beginning of each year. As a second option, if the firm decides to lease the Crane for 6 years, the annual lease payment (payable at the end of each year) is \$24,000. The firm also needs to pay for maintenance, which costs \$5,000 per annum on average. The firm uses a 10% as the minimum attractive rate of return on all their future investments. Using NPV technique, determine which option is most favorable.  
**15**

2. Briefly explain about method of Benefit cost analysis. What are the advantages of using this method for determining a feasible solution ?  
**15**

### **Unit II**

3. Explain Earned Value Method. Describe the procedure for preparing S-curves using EVM and how it can be used to determine the progress of project ?  
**15**
4. Briefly explain about Public Private Partnership in construction projects. Differentiate between EPC and PPP type of contracts.  
**15**

### **Unit III**

5. How budget is prepared for a construction project ? How budget can be controlled during through life cycle of project ?  
**15**