



The Institute of  
Bankers Pakistan

**Time Allowed: 3 Hours**

**Maximum Marks:100**

**Project Financing**

**Date: December 12, 2019**

**AIBP (Specialization)**

**Roll No:**

**Instructions:**

- Attempt ALL questions;
- Answers must be neat, relevant and brief;
- In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, presentation and language;
- Read the instructions printed inside the top cover of answer script CAREFULLY before attempting the paper;
- DO NOT write your Name, Access No. or Roll No. etc. anywhere inside the answer script(s);
- Candidates are advised not to mark any of the objective answer on the question paper, otherwise their paper will be cancelled;
- Question Paper must be returned to invigilator before leaving the examination hall.

**SECTION B: SUBJECTIVE**

**All the questions from Section B are compulsory.**

**(40 Marks)**

**Q1.** You have been provided data pertaining to two mutually exclusive projects as follows:

Particulars	Project A	Project B
Initial investment (Rs.)	10,000,000	12,000,000
Annual cash flows (Rs.)	2,000,000	2,500,000
Life (years)	12 years	8 years
Weighted average cost of capital	15%	12%

\*All cash inflows are occurred at the end of the year.

**Required:**

Recommend the project on the basis of either profitability index or Net Present Value. **(10 Marks)**

**Q2.** Selection of staff having requisite skills at the right place and time is an integral responsibility of the project team management. Discuss any THREE key factors that should be kept in mind while preparing the staffing plan for the project. **(6 Marks)**

**Q3.** Discuss the practical importance of knowing the price elasticity of demand of a product to:

**A.** Government **(3 Marks)**

**B.** Producers/ Firms **(4 Marks)**

**Q4.** Scheduling the project implementation is one of the integral parts of technical analysis. List down the information that would be required for preparing the schedule of project implementation. Also, suggest the analysis technique that can be used for most real life projects having numerous activities and are fairly large. **(7 Marks)**

**Q5.** Discuss the salient features to be considered for the feasibility study of a new project. **(10 Marks)**

**X ——— END OF PAPER ——— X**