

CONTINUOUS INTERNAL EVALUATION- 3

Dept: Civil	Sem / Div: 5	Sub: Construction Management and Entrepreneurship	S Code: 18CV51
Date: 11/01/21	Time: 9.30-11.0AM	Max Marks: 50	Elective: N

Note: Answer any 2 full questions, choosing one full question from each part.

Q N	Questions	Marks	RBT	COs												
PART A																
1 a	Two alternative for purchase of Transit mixer having same useful life. Proposed the details of cash flow as follows. Alternative- 1: Initial purchase cost= Rs. 6,00,000, Annual operating and maintenance cost= Rs. 40,000, Expected salvage value= Rs. 2,50,000, Useful life= 5 years. Alternative- 2: Initial purchase cost= Rs. 4,00,000, Annual operating and maintenance cost= Rs. 70,000, Expected salvage value= Rs. 1,40,000, Useful life= 5 years. The annual revenue to be generated from production of concrete from Alternative- 1 and Alternative 2 are Rs. 1,00,000 and Rs. 90,000 respectively. Compute the equivalent present worth of the alternatives at the rate of 10% per year and find out the economic alternative.	12	L2	CO2												
b	There are two alternatives for a sewage treatment project in a city. The details of cash flow of the alternatives are shown below. Alternative- 1: Initial cost= Rs. 3,00,00,000, Annual operating cost= Rs. 2,00,000, Cost of renovations= Rs. 50,00,000 at the end of every 20 years. One time upgrading cost= Rs. 60,00,000 at the end of 25 year. Alternative- 2: Initial cost= Rs. 3,50,00,000, Annual operating cost= Rs. 2,50,000, Cost of renovations= Rs. 75,00,000 at the end of every 20 years. Compare the alternatives on the basis of Capitalised cost and find out the economical alternatives if the rate of interest is 9% per year.	13	L2	CO2												
OR																
2 a	A firm is identified three mutually exclusive investment proposals for new project whose details are given below. The life of all the three alternatives is estimated to be five years with negligible salvage value. The minimum attractive rate of return for the firm is 12%. <table border="1" data-bbox="140 1646 957 1825"> <thead> <tr> <th></th> <th>A1</th> <th>A2</th> <th>A3</th> </tr> </thead> <tbody> <tr> <td>Investment</td> <td>₹1,50,000</td> <td>₹2,80,000</td> <td>₹3,25,000</td> </tr> <tr> <td>Annual net income</td> <td>₹50,000</td> <td>₹90,000</td> <td>₹90,000</td> </tr> </tbody> </table>		A1	A2	A3	Investment	₹1,50,000	₹2,80,000	₹3,25,000	Annual net income	₹50,000	₹90,000	₹90,000	13	L2	CO2
	A1	A2	A3													
Investment	₹1,50,000	₹2,80,000	₹3,25,000													
Annual net income	₹50,000	₹90,000	₹90,000													
b	A company invests in one of the two mutually exclusive alternatives.	12	L2	CO2												

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The life of both alternatives is estimated to be 5 years with the following investments, annual returns and salvage values.

	Alternatives	
	X	Y
Investment, ₹	1,50,000	1,75,000
Annual equal return, ₹	50,000	50,000
Salvage Value, ₹	10,000	50,000

PART B

3 a	Explain the brief role of entrepreneurship in economic development.	8	L2	CO3
b	What do you mean by small scale industry? List the characteristics of small scale industries.	8	L2	CO3
c	Write a short note on role and functions performed with respect to entrepreneurial development by i) TECKSOK ii) KIADB	9	L2	CO3

OR

4 a	Explain scope and role of MSME in economic development.	8	L2	CO3
b	What is project report? List salient features of project report.	9	L2	CO3
c	What is business plan? Explain the importance of business plan.	8	L2	CO3