Dr AK Gupta

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -1 EXAMINATION- Feb - 2018

M.Tech.(CM) – IInd Semester

COURSE CODE: 10M11CE214 **MAX. MARKS: 15**

COURSE NAME: Construction Financial Management

COURSE CREDITS: 03 **MAX. TIME: 1 Hrs**

Note: All questions are compulsory. Carrying of mobile phone during examinations will be treated as case of unfair means. Assume any data if required

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1. For any economic venture to be successful, economic efficiency should have value
   a. More than 100%
   b. Less than 100%
   c. Between 0 and 50%
   d. Between 50 and 100% [0.5]

2. Rate of capital growth received from an investment is
   a. Interest
   b. Interest rate
   c. Value
   d. Utility [0.5]

3. Relation between ..... and..... leads to concept of time value of money
   a. Consumer and Producer goods
   b. Value and Utility
   c. Earning power and Purchasing power of money
   d. Interest and Time [0.5]

4. Which of the following activity is a part of utilization phase of product life cycle?
   a. Preliminary design
   b. Detailed design
   c. Construction
   d. Support [0.5]

5. ..... is denoted by ....., a factor, when multiplied with future amount F, gives the present worth P, at interest rate I & interest period of n.
   a. Single payment compound amount factor, (P/F, i, n)
   b. Single payment present worth factor, (P/F, i, n)
   c. Single payment compound amount factor, (F/A, i, n)
   d. Single payment present worth factor, (F/A, i, n) [0.5]

6. A man deposits certain sum of money P, every year end. For finding the compound amount at the end of 10 interest periods at 15% interest rate, the factor with which P is to be multiplied is
   a. Equal payment series sinking fund factor

b. Equal payment series capital recovery factor
c. Equal payment series compound amount factor
d. Equal payment series present worth factor [0.5]

7. The amount of money that a company can spend now for improving productivity instead of spending Rs. 30,000 three years from now at an interest rate of 12% per year is
   a. Rs. 15,708
   b. Rs. 17,805
   c. Rs. 19,303
   d. Rs. 21,353 [1]

8. A student of 20 years old is planning to have personal savings totalling Rs. 10,00,000 when he retires at age 65. If the annual interest rate will be 7% over the next 45 years on her savings account, the equal end-of-year amount she must save to accomplish her goal will be
   a. Rs. 3,400
   b. Rs. 4,300
   c. Rs. 3,500
   d. Rs. 5,300 [1]

9. The present worth of following series of cash flow of an interest rate of 10% compounded annually will be

End of Year	1	2	3	4
Net cash flow	55000	60500	0	73205

   a.135000
   b.150000
   c.140000
   d.155000 [1.5]

10. A loan of Rs 30000 taken is to be repaid in a series of 5 equal payments annually. At 15% interest rate compounded annually, the value of equal annual amount will be
    a. 8949 b. 10509 c. 7926 d. 8500 [1.5]

11. There are two alternatives for purchasing a concrete mixer. Both the alternatives have same useful life. The cash flow details of alternatives are as follows;
Alternative-1: Initial purchase cost = Rs.3,00,000, Annual operating and maintenance cost = Rs.20,000, Expected salvage value = Rs.1,25,000, Useful life = 5 years.
Alternative-2: Initial purchase cost = Rs.2,00,000, Annual operating and maintenance cost = Rs.35,000, Expected salvage value = Rs.70,000, Useful life = 5 years.
Using present worth method, find out which alternative should be selected, if the rate of interest is 10% per year. [7]