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| **PROGRAM** | **Master of Business Administration** |
| **SEMESTER** | **4** |
| **COURSE TITLE** | **Project Appraisal & Finance** |
| **COURSE CODE** | **04MB0405** |
| **COURSE CREDITS** | **3** |
| **COURSE DURATION** | **42 Hrs (42 sessions of 60 minutes each)** |



**COURSE OUTCOMES:**

* Gain knowledge on various aspects of projects planning, project selection and implementation
* Apply the Project Appraisal methods for financing and risk evaluation of various distinct projects.
* Evaluate Projects with the help of projecting cash flows and making capital allocation decisions by developing profitability projections.
* Acquaint with the application of mathematical and statistical tools for analyzing project appraisal decisions and managerial problems.
* Develop the strategies employed in managing project risk.

**COURSE CONTENTS:**

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| **Unit No** | **Unit / Sub Unit** | **Sessions** |
| **I** | **INTRODUCTION AND OVERVIEW OF PROJECTS**  Understanding Project and Project Management, Project identification and idea generation monitoring and evaluating the environment corporate appraisal for identifying investment opportunities scouting for project ideas and contracting project rating index strategy (corporate & business level) and proper resource allocation process. | 8 |
| **II** | **PROJECT APPRAISAL**  **Market and Demand Analysis:** Identification of the Target Market, Choice of the Market Strategy, Projection of Demand using Primary Data and Secondary Data, Projection of Demand using Qualitative models.  **Technical Analysis:** Selection of appropriate technology, acquisition of technology, choice of good location of the project, design of the layout of facilities at project site | 8 |
| **III** | **PROJECT FINANCEING AND RISK ANALYSIS**  **Project Financing:**  Pattern of financing, Sources of finance, Menu of financing, capital structure, debt capital, debentures, bonds, Term Loans, Working capital, Advances, equity and preference capital, project financing structures. Various debt instruments and innovative Structures, New source of financing avenues for promoting projects-venture, seed finance.  **Project risk analysis:**  sources, measures and perspectives on risk, types of risk, sensitivity analysis, scenario analysis, stimulation analysis, BEP analysis, Hillier Model, Decision making tree analysis, managing risk and project selection under risk. | 8 |
| **IV** | **SOCIAL COST BENEFIT ANALYSIS**  Rationale for SCBA, UNIDO Approach, Net benefit for economic efficiency, measurement of impact on distribution, shadow prices and adjustment of goods, saving and income distribution impact, Littke-Mirrlees Approach, SCBA for financial institution and investment decision making in India. | 8 |
| **V** | **FINANCING INFRASTRUCTURE PROJECT AND SPECIAL DECISIONS SITUATION**  **Financing Infrastructure Project:** key project parties, financing power project Infrastructure Project Financing and managing risk associated with it, Different considerations for projects under private, public, and joint sectors. PPP models  **Special Decisions Situation:** Choice between mutually exclusive projects and unequal life, determination of economic life of the project and capital budgeting for the projects. | 8 |

**Note: Case study falling in the below mentioned area should be considered**

Hydro-electric project, Thermal Power Project, Irrigation Ports, Urban, Waste Management, Telecom sector, National Highways, Promoting world class school, Franchise mode of Business, Essence of Detailed Project Report

**EVALUATION:**

**Weight age A (C.S.C.) B (I.A.) C**

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| --- | --- | --- |
|  | **Component** | **Weightage** |
| A | **Continuous Evaluation Component (Project report preparation or analysis, comparative analysis of report of similar projects, preparation of project appraisal report or** presentation/ assignment/ Quizzes / Class Participation etc**)** | **20%** |
| B | **Internal Assessment** | **30%** |
| C | **End-Semester Examination (External Assessment)** | **50%** |

**SUGGESTED READINGS:**

**Text Books:**

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| --- | --- | --- | --- | --- |
| **Sr. No** | **Author/s** | **Name of the Book** | **Publisher** | **Edition and Year** |
| **T-01** | Prasana Chandra | Projects: Planning, Analysis, Selection, Financing, Implementation & Review | Tata Mc Grawhill Publishing house | 9th edition,2019 |
| **T-02** | Sitangshu Khatua | Project Management and Appraisal | Oxford | 1st edition, 2011 |
| **T-03** | Stefano, Gatti. | Project finance in theory and practice – Designing structuring and financing private and public projects. | Academic Press - An imprint of Elsevier | 1st edition, 2007 |

**Reference Books:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No** | **Author/s** | **Name of the Book** | **Publisher** | **Edition and Year** |
| R-01 | Esty, Benjamin. | Modern Project Finance: A Casebook | John Wiley & Sons, Inc | 3rd edition, 2006 |
| R-02 | B.B. Goel | Project Management: A Development Perspective | Deep and Deep Publications, New Delhi | 2nd edition, 2002 |
| R-03 | Nevitt, Peter K / Fabozzi, Frank J. | Project Financing | Euromoney Book | 7th edition, 2000 |