

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Corporate and Project Finance
Semester-III (Batch: 2018-20)

MBA End Semester Examination: November-2019

Date: 1st November, 2019

Duration: 3 hours

Max. Marks: 60

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write anything on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

Marks
(5x2=
10)

Q.1 Explain any five of the following terms.

- (a) Securitization
- (b) Viability gap funding
- (c) Liquidated damages
- (d) Hybrid Annuity Model
- (e) Interest coverage ratio
- (f) Unlevered free cash flow

Q.2 Answer the following questions:

(5x10=
50)

- (a) Explain the concepts '*non tradability of output*' and '*non rivalry (up to congestion limits) in consumption*' as the features of infrastructure projects.
- (b) What are 'operational risk' and 'interest rate risk'? How these risks affect the project? Explain the measures available to manage these risks.
- (c) Explain the term 'project appraisal'. Write a detailed note on the aspects of project appraisal.
- (d) Assume that a six lane national highway is to be constructed from Ahmedabad to Rajkot. Identify various risks that could crop up during the project life cycle and ways to mitigate those risks. If the project is to be floated on PPP basis which model will you use? Why?
- (e) What is off-balance sheet financing? Explain its advantages over on-balance sheet financing.
