

# National Testing Agency

<b>Question Paper Name :</b>	MNRE 016 Project Analysis 29th August 2021 Shift 2
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## MNRE 016 Project Analysis

<b>Group Number :</b>	1
<b>Group Id :</b>	940918117
<b>Group Maximum Duration :</b>	0
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<b>Group Marks :</b>	100
<b>Is this Group for Examiner? :</b>	No

## MNRE 016 Project Analysis-1

<b>Section Id :</b>	940918171
<b>Section Number :</b>	1
<b>Section type :</b>	Online
<b>Mandatory or Optional :</b>	Mandatory

<b>Number of Questions :</b>	20
<b>Number of Questions to be attempted :</b>	20
<b>Section Marks :</b>	20
<b>Enable Mark as Answered Mark for Review and Clear Response :</b>	Yes
<b>Sub-Section Number :</b>	1
<b>Sub-Section Id :</b>	940918236
<b>Question Shuffling Allowed :</b>	Yes

**Question Number : 1 Question Id : 9409187754 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A project is a unit of investment:

1. Having a similar technical programme with other projects.
2. Having similar commercial and economical activities with other projects.
3. Distinguished technically, commercially, and economically from other investments.
4. Having the same action plan which has been implemented earlier.

**Options :**

94091829057. 1

94091829058. 2

94091829059. 3

94091829060. 4

**Question Number : 2 Question Id : 9409187755 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The agricultural project is differentiated from the project of other economic sectors by:

1. Size of the projects
2. Duration of projects
3. Area coverage of projects
4. Nature of projects

**Options :**

94091829061. 1

94091829062. 2

94091829063. 3

94091829064. 4

**Question Number : 3 Question Id : 9409187756 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Project organization functions as a

1. Temporary setup
2. Permanent setup
3. Both temporary and permanent
4. Sometimes temporary and sometimes permanent

**Options :**

94091829065. 1

94091829066. 2

94091829067. 3

94091829068. 4

**Question Number : 4 Question Id : 9409187757 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which type of project needs small to modest capital investment but involves a considerable increase in working capital requirement?

1. Technological innovation
2. Improvement in the status of disadvantaged groups
3. Improvement in post-harvest handling and distribution
4. Institution building

**Options :**

94091829069. 1

94091829070. 2

94091829071. 3

94091829072. 4

**Question Number : 5 Question Id : 9409187758 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Land-tenure system is

1. Institutional aspect
2. Organizational aspect
3. Managerial aspect
4. Technical aspect

**Options :**

94091829073. 1

94091829074. 2

94091829075. 3

94091829076. 4

**Question Number : 6 Question Id : 9409187759 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Under which phase of the project cycle, the feasibility study is undertaken?

1. Identification
2. Preparation and analysis
3. Appraisal
4. Evaluation

**Options :**

94091829077. 1

94091829078. 2

94091829079. 3

94091829080. 4

**Question Number : 7 Question Id : 9409187760 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which 'Measure' provides the speed of capital recovery, rather than profitability?

1. Net Present Value
2. Internal Rate of Return
3. Payback Method
4. Benefit-Cost Ratio

**Options :**

94091829081. 1

94091829082. 2

94091829083. 3

94091829084. 4

**Question Number : 8 Question Id : 9409187761 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

How much start-up capital is needed, is a part of :

1. Technical Feasibility
2. Financial Feasibility
3. Economic Feasibility
4. Market Feasibility

**Options :**

94091829085. 1

94091829086. 2

94091829087. 3

94091829088. 4

**Question Number : 9 Question Id : 9409187762 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Government charges for goods supplied or services rendered may be called taxes such as water rates, are considered as costs in :

1. Financial analysis
2. Economic analysis
3. Both financial and economic analysis
4. Not considered as costs

**Options :**

94091829089. 1

94091829090. 2

94091829091. 3

94091829092. 4

**Question Number : 10 Question Id : 9409187763 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which is not an example of tangible costs?

1. Concrete for canal irrigation projects
2. Fertilizer and pesticides for crop production projects
3. Increased pollution
4. Materials for the construction of homes inland settlement projects

**Options :**

94091829093. 1

94091829094. 2

94091829095. 3

94091829096. 4

**Question Number : 11 Question Id : 9409187764 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Diversion of water from the production activities is an example of

1. Indirect cost
2. Indirect benefit
3. Direct cost
4. Indirect benefits

**Options :**

94091829097. 1

94091829098. 2

94091829099. 3

94091829100. 4

**Question Number : 12 Question Id : 9409187765 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

If the land is acquired for the irrigation projects, how it will be valued?

1. What farmer pay to acquires land
2. Actual payment of land rent
3. Actual payment of compensation
4. Value of production on land

**Options :**

94091829101. 1

94091829102. 2

94091829103. 3

94091829104. 4

**Question Number : 13 Question Id : 9409187766 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

For valuation of farm production which price is considered?

1. Wholesale prices
2. Retail prices
3. Farmgate price
4. Consumer price index

**Options :**

94091829105. 1

94091829106. 2

94091829107. 3

94091829108. 4

**Question Number : 14 Question Id : 9409187767 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Economic values are based on economic prices that are associated with

1. Opportunity cost
2. Administrative price
3. Parity prices
4. Actual paid prices

**Options :**

94091829109. 1

94091829110. 2

94091829111. 3

94091829112. 4

**Question Number : 15 Question Id : 9409187768 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**



Which of the following is a correct statement?

- A. In perfect competition, the market wage rate is the approximate shadow price for labour.
- B. In perfect competition, the wage of labour would be equal to the amount of product produced by an extra labour
- C. In the surplus-labour economy, one of the option to value the labour as zero for economic valuation
- D. In the imperfect labour market, market wages are appropriate for economic valuation.

Choose the **correct** answer from the options given below:

- 1. A, B, and D only
- 2. B and D only
- 3. B and C only
- 4. A, B, and C only

**Options :**

94091829113. 1

94091829114. 2

94091829115. 3

94091829116. 4

**Question Number : 16 Question Id : 9409187769 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which is true about the farm plan?

- A. Represent careful judgment about the most profitable farming activities.
- B. Represent cropping patterns for a farm.
- C. Give reasonable assumptions about the risk the farmers are willing to assume.
- D. Not much consideration on preferences for subsistence food crop production.

Choose the **correct** answer from the options given below:

- 1. D only
- 2. B and C only
- 3. A, B and C only
- 4. A, B, C and D

**Options :**

- 94091829117. 1
- 94091829118. 2
- 94091829119. 3
- 94091829120. 4

**Question Number : 17 Question Id : 9409187770 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which statement is not correct about the Net Present Worth (NPW)?

- 1. It is simply the present worth of the cash flow stream.
- 2. Selection criteria is positive value of the net present worth
- 3. It is a relative measure not the absolute measure
- 4. Zero NPW makes the investor indifferent

**Options :**

- 94091829121. 1
- 94091829122. 2
- 94091829123. 3
- 94091829124. 4

**Question Number : 18 Question Id : 9409187771 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which measure provides knowledge of the actual rate of return from the different projects?

1. Net present worth
2. Internal rate of return
3. Benefit-Cost Ratio
4. Net benefit-investment ratio

**Options :**

94091829125. 1

94091829126. 2

94091829127. 3

94091829128. 4

**Question Number : 19 Question Id : 9409187772 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Under which situation sensitivity analysis is recommended?

1. If there are firm probabilities to the future value of parameters.
2. If there are no firm probabilities to the future value of parameters
3. The known magnitude of the social discount rate
4. Known shadow prices for unemployed resources

**Options :**

94091829129. 1

94091829130. 2

94091829131. 3

94091829132. 4

**Question Number : 20 Question Id : 9409187773 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

If one project is chosen, the other cannot be undertaken. It is a problem associated with:

1. Normal project
2. Mutually Exclusive Alternatives
3. Switching Value
4. Sensitivity analysis

**Options :**

94091829133. 1

94091829134. 2

94091829135. 3

94091829136. 4

## MNRE 016 Project Analysis-2

<b>Section Id :</b>	940918172
<b>Section Number :</b>	2
<b>Section type :</b>	Offline
<b>Mandatory or Optional :</b>	Mandatory
<b>Number of Questions :</b>	10
<b>Number of Questions to be attempted :</b>	10
<b>Section Marks :</b>	30
<b>Enable Mark as Answered Mark for Review and Clear Response :</b>	Yes
<b>Sub-Section Number :</b>	1
<b>Sub-Section Id :</b>	940918237
<b>Question Shuffling Allowed :</b>	No

**Question Number : 21 Question Id : 9409187774 Question Type : SUBJECTIVE**

**Correct Marks : 3**

Explain the meaning of the term 'Project'.

**Question Number : 22 Question Id : 9409187775 Question Type : SUBJECTIVE**

**Correct Marks : 3**

Give the meaning and example of projects on institution building.

**Question Number : 23 Question Id : 9409187776 Question Type : SUBJECTIVE**

**Correct Marks : 3**

What are the considerations in designing a management system for a project?

**Question Number : 24 Question Id : 9409187777 Question Type : SUBJECTIVE**

**Correct Marks : 3**

Differentiate between project management and general management.

**Question Number : 25 Question Id : 9409187778 Question Type : SUBJECTIVE**

**Correct Marks : 3**

What do you understand by the project charter?

**Question Number : 26 Question Id : 9409187779 Question Type : SUBJECTIVE**

**Correct Marks : 3**

Define direct transfer payment. How it is considered in financial and economic analysis?

**Question Number : 27 Question Id : 9409187780 Question Type : SUBJECTIVE**

**Correct Marks : 3**

Differentiate between direct and indirect costs and benefits.

**Question Number : 28 Question Id : 9409187781 Question Type : SUBJECTIVE**

**Correct Marks : 3**

Explain the concepts of value-added in measuring national income.

**Question Number : 29 Question Id : 9409187782 Question Type : SUBJECTIVE**

**Correct Marks : 3**

What do you mean by the real and nominal aggregates?

**Question Number : 30 Question Id : 9409187783 Question Type : SUBJECTIVE**

**Correct Marks : 3**

Write the meaning and formula of the Internal Rate of Return (IRR).

## **MNRE 016 Project Analysis-3**

<b>Section Id :</b>	940918173
<b>Section Number :</b>	3
<b>Section type :</b>	Offline
<b>Mandatory or Optional :</b>	Mandatory
<b>Number of Questions :</b>	7
<b>Number of Questions to be attempted :</b>	5
<b>Section Marks :</b>	50
<b>Enable Mark as Answered Mark for Review and Clear Response :</b>	Yes
<b>Sub-Section Number :</b>	1
<b>Sub-Section Id :</b>	940918238
<b>Question Shuffling Allowed :</b>	No

**Question Number : 31 Question Id : 9409187784 Question Type : SUBJECTIVE**

**Correct Marks : 10**

What is the significance of projects in development?

**Question Number : 32 Question Id : 9409187785 Question Type : SUBJECTIVE**

**Correct Marks : 10**

What is meant by the project cycle? Explain the phases of the project cycle.

**Question Number : 33 Question Id : 9409187786 Question Type : SUBJECTIVE**

**Correct Marks : 10**

Explain how prices reflect the true value of goods or services of an investment project.

**Question Number : 34 Question Id : 9409187787 Question Type : SUBJECTIVE**

**Correct Marks : 10**

Differentiate between farm investment analysis and farm management analysis. Give the guidelines for preparing farm investment analysis.

**Question Number : 35 Question Id : 9409187788 Question Type : SUBJECTIVE**

**Correct Marks : 10**

What are the conditions which guarantee that Consumer WTP for goods and services does not exceed their market prices?

**Question Number : 36 Question Id : 9409187789 Question Type : SUBJECTIVE**

**Correct Marks : 10**

What are the various undiscounted measures of project worth? Explain any two.

**Question Number : 37 Question Id : 9409187790 Question Type : SUBJECTIVE**

**Correct Marks : 10**

Discuss the meaning and techniques of sensitivity analysis.