Seat No.:	Enrolment No.
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GUJARAT TECHNOLOGICAL UNIVERSITY

ME - SEMESTER-I(New course) • EXAMINATION - WINTER- 2015

Subject Name: Construction Finance & Accounting Time:2:30 pm to 5:00 pm Instructions:			Date: 04/01/2016 Total Marks: 70	
		:30 pm to 5:00 pm Total Marks: 7		
	2.	Attempt all questions. Make suitable assumptions wherever necessary. Figures to the right indicate full marks.		
Q.1	(a) (b)	What are different accounting processes? Explain them in brief. How Finance is different from Accounting?	07 07	
Q.2	(a) (b)	Elaborate the basic concepts of finance. How does management accounting help in management decision process and control?	07 07	
		OR		
	(b)	How much is depreciation important in construction industry.	07	
Q.3	(a)	MEGA company needs a crane for its project. The cost of the new machine is Rs. 10 cr. The expected useful life of the machine is 9 years. At the end of 7-year period, the machine would have no salvage value. After installation, the machine would increase cash inflows by Rs.3cr. per year. MEGA is interested to know the net present value of the machine to accept or reject this investment. The minimum required rate of return of the company is 15% on all capital investments. Required: 1. Compute net present value of the machine.	07	
		2. Is it acceptable to purchase the machine?		
	(b)	What are the objectives of financial management? OR	07	
Q.3	(a) (b)	How and from where working capital be obtained in construction industry? What are the merits and demerits of cash flow analysis?	07 07	
Q.4	(a)	What are the factors affecting working capital?	07	
	(b)	What are the different uses of financial statement?	07	
Q.4	(a) (b)	From what sources long-term capital be obtained? A firm sells 500 units at Rs. 25 lakhs per unit. Its fixed cost amounts to Rs. 10 crore and variable cost to Rs. 5 lakh per unit. You are required to find: 1. The break-even point. 2. Profit-Volume ratio. 3. Margin of safety.	07 07	
Q.5		Write Notes on any two: - 1. Construction as a service sector. 2. Tax policy and construction industry. 3. Financial management in construction industry. 4. Break-even analysis.	14	
