Assignment 3

The due date for submitting this assignment has passed. As per our records you have not submitted this assignment.

Due on 2020-02-18, 23:59 IST.

1) Which of the following is the correct definition of B/C ratio?
   - Benefit / Cost
   - Benefit / Cost - Disbenefit
   - Benefit / Disbenefit - Costs
   - None of the above
   - No, the answer is incorrect.
   - Score: 0
   - Accepted Answer: Benefit / Disbenefit - Costs

2) Which of the following Debt / Equity ratios is not typically used in infrastructure projects?
   - 75:25
   - 75:20
   - 70:30
   - None of the above
   - No, the answer is incorrect.
   - Score: 0
   - Accepted Answer: 75:25

3) What is Debt Service Coverage Ratio (DSCR)?
   - Earnings before interest tax / Loan amount to be repaid
   - Earnings before interest tax / Interest
   - Earnings after tax / Loan amount to be repaid
   - None of the above
   - No, the answer is incorrect.
   - Score: 0
   - Accepted Answer: Earnings before interest tax / Loan amount to be repaid

4) Break even analysis is about the number of units produced such that costs are equal to revenue.
   - True
   - False
   - No, the answer is incorrect.
   - Score: 0
   - Accepted Answer: True

5) A project is viable or profitable if B/C < 1
   - True
   - False
   - No, the answer is incorrect.
   - Score: 0
   - Accepted Answer: False

6) For a project with a debt to equity ratio of 50:50, if the cost of equity is 15% and the cost of debt is 10% then the weighted average cost of capital
   - 12.5%
   - 10.5%
   - 14%
   - 11.5%
   - No, the answer is incorrect.
   - Score: 0
   - Accepted Answer: 10.5%

7) An amount of Rs. 100 today, at 10% per year after 5 yr yields
   - Rs. 905
   - Rs. 100
   - Rs. 105
   - Rs. 135
   - No, the answer is incorrect.
   - Score: 0
   - Accepted Answer: Rs. 100

8) Project finance is also called as recourse finance.
   - True
   - False
   - No, the answer is incorrect.
   - Score: 0
   - Accepted Answer: False

9) The Cost of Capital of the project if cost of equity is 10% and cost of debt is 8% and the debt to equity ratio is 4:5 is (5.69% + 0.36%)
   - True
   - False
   - No, the answer is incorrect.
   - Score: 0
   - Accepted Answer: True

10) Which of the following type of financing do the lenders like to present for revenue streams generated by the project and the project company's assets to repay all loans?
    - Public Finance
    - Corporate Finance
    - Project Finance
    - None of the above
    - No, the answer is incorrect.
    - Score: 0
    - Accepted Answer: Project Finance