

**GUJARAT TECHNOLOGICAL UNIVERSITY****BE - SEMESTER– VII (New) EXAMINATION – WINTER 2019****Subject Code: 2173610****Date: 28/11/2019****Subject Name: Chemical Process Economics****Time: 10:30 AM TO 01:00 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

		MARKS
<b>Q.1</b>	(a) Write a short note on Price of a product.	<b>03</b>
	(b) Differentiate Greenfield and Add-On projects.	<b>04</b>
	(c) List and describe the major pre-project activities to be addressed to start a project activity.	<b>07</b>
<b>Q.2</b>	(a) What is Equity? Mention various types of Equity available for project financing.	<b>03</b>
	(b) What is inflation? What are all the factors that are affecting inflation?	<b>04</b>
	(c) Describe the important steps relating to project conception to commissioning?	<b>07</b>
<b>OR</b>		
	(c) Describe the various elements involved in the cost of project.	<b>07</b>
<b>Q.3</b>	(a) Brief the importance of Expenses regarding training and expenses of Indian Technicians in foreign country	<b>03</b>
	(b) Write a short note on various financial expenses incurred during commissioning of a project activity	<b>04</b>
	(c) Mention the important components in financing of project from different sources.	<b>07</b>
<b>OR</b>		
<b>Q.3</b>	(a) Mention the classification of Industrial projects based on Industrial Sector.	<b>03</b>
	(b) What is location Index? Mention the important factors responsible for calculating project cost using location index.	<b>04</b>
	(c) What is annualized cost? Explain its importance in relation to equipment purchase in a project activity.	<b>07</b>
<b>Q.4</b>	(a) Explain the term Moratorium with reference to Loan repayment in a project activity.	<b>03</b>
	(b) What is Subsidy? Mention importance of subsidy in relation to start-up projects	<b>04</b>
	(c) Discuss term loan repayment for a project activity through a suitable example	<b>07</b>
<b>OR</b>		
<b>Q.4</b>	(a) Mention the significance of nominal and effective interest rates in a project activity.	<b>03</b>
	(b) Differentiate Simple Interest and Compound Interest	<b>04</b>
	(c) Explain the concept of depreciation in project with various methods used to calculate depreciation for various components in a project activity?	<b>07</b>
<b>Q.5</b>	(a) Discuss the various technical and non-technical activities involved in establishment of a project activity.	<b>03</b>
	(b) With a suitable example mention the importance of payback period of a project	<b>04</b>
	(c) Write a short note on estimate of working results of proposed project in terms of its outcomes.	<b>07</b>

**OR**

- Q.5 (a) What is understood by net cash accruals? How it is evaluated for an established project? **03**
- (b) Explain the contents of Feasibility report in a project activity **04**
- (c) What is Breakeven analysis? Listing various assumptions describe how breakeven analysis helps to estimate the profitability analysis of a project. **07**

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