

Q.1 The price and cost data are given for firms A, B, and C:

	A (Rs)	B (Rs)	C (Rs)
Selling price per unit	25	12	15
Variable cost per unit	10	6	5
Fixed operating costs	30,000	24,000	100,000

Calculate:

- A) The break-even point for each firm.
- B) The cash break-even point for each firm, assuming Rs 5,000/= of each firm's fixed costs are depreciation.
- C) Rank these firms in term of their risk.

Q.2 Projects in Pakistan often fail because of inadequate management appraisal. What qualities and traits would you look in a sponsor to be a successful entrepreneur?

Q.3 (A) Why are capital expenditures often the most important decisions taken by a firm?

(B) Explain the difficulties faced in capital expenditure decisions?

Q.4 ABC Corporation is in the process of developing a marketing plan for a new product and has approached you for financing. What aspects do you think ABC should cover in its market planning for the product?

Q.5 "The traditional form of organization is not suitable for the management of projects". Comment.

Q.6 What are the key considerations in determining the debt/equity ratio of a project?