

MNRE-016

PG CERTIFICATE IN AGRICULTURAL POLICY

PROJECT ANALYSIS

Duration : 90 minutes

Maximum marks : 50

1. Which is not correct about the project?
  - A) Specific clientele group for a specific activity
  - B) Specific objective
  - C) Specific area development
  - D) Cover broad area to target maximum population
  
2. How the agricultural projects are different from the projects of other economic sectors?
  - A) Size of the projects
  - B) Duration of projects
  - C) Area coverage of projects
  - D) Nature of projects
  
3. A large endeavor, with a long-range objective spread over a longer period for implementation, catering to many end users/stakeholders, is called.....
  - A) Project
  - B) Programme
  - C) Task
  - D) Planned activity
  
4. What is the disadvantage of project-based funding?
  - A) Discipline in various steps of the project cycle

- B) Directs resources toward the specific target groups
- C) Monitoring and controlling
- D) Takes a lot of precious time in project preparation

5. Which is not a correct statement?

- A) Projects are essential for the development of an economy
- B) Not necessary that the project selected should have high priority in the national development program.
- C) Thorough consideration of all alternatives in the economy
- D) The focus should be on the overall development of the sector

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

- A) Technological innovation
- B) Improvement in the status of disadvantaged groups
- C) Improvement in post-harvest handling and distribution
- D) Institution building

7. The problem of shortage of local managerial skills is resolved by which type of project?

- A) Technological innovation
- B) Broadening the physical resource base
- C) Improvement in the status of disadvantaged groups
- D) Institution building

8. Land-tenure system is considered under .....

- A) Institutional aspect
- B) Organizational aspect
- C) Managerial aspect
- D) Technical aspect

9. Income distribution in a project area is a .....

- A) Institutional aspect
- B) Financial aspect
- C) Social aspect
- D) Economic aspect

10. Project appraisal in a project cycle is a .....

- A) First phase
- B) Second phase
- C) Third phase
- D) Fourth phase

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

- A) Identification
- B) Preparation and analysis
- C) Appraisal
- D) Evaluation

12. The Accounting Rate of Return (ARR) method of project selection is a.....

- A) Non-numeric model
- B) Non discounted model
- C) Discounted model
- D) Time value-based model

13. Which measure provides the speed of capital recovery rather than profitability?

- A) Net Present Value
- B) Internal Rate of Return
- C) Payback Method
- D) Benefit Cost Ratio

14. Contingency plans and alternative solutions to handle unforeseen problems are called

.....

- A) Monitoring & Feedback
- B) Technical Tasks
- C) Problem-Solving
- D) Controlling

15. Which of the following provides a clear definition of the scope of the project?

- A) Project schedule
- B) Terms of Reference
- C) Project governance
- D) Project Management

16. To minimize, monitor, and control the probability and/or impact of unfortunate events, we need to have proper .....

- A) Governance
- B) Management
- C) Risk management
- D) Quality management

17. What is the role of the project manager during project start-up?

- A) Developing the detailed project plan
- B) Assigning resources to the project
- C) Conducting general cost/benefit analysis
- D) Regularly reviewing the project status

18. Which is not a part of the documents prepared during the feasibility study?

- A) Project Structure
- B) Project Plan
- C) Risks List
- D) Project closing detail

19. How much start-up capital is needed? It is a part of.....Feasibility.

- A) Technical
- B) Financial
- C) Economic
- D) Market

20. Who is responsible for implementing project policies and procedures?

- A) Project organization
- B) Project authority
- C) Project manager
- D) Project audit team

21. If no change in output is expected in the project area without the project, then .....

- A) Before and After Approach would give better results
- B) With and Without Approach would give better results
- C) Both approaches would give the same results
- D) Sometimes before and after approach would give better results and sometimes with and without approach would give better results

22. Items representing a shift in goods and services from one entity of society to another without affecting the national income, it is called.....

- A) Expenditure to society
- B) Intangible benefits
- C) Output to society
- D) Direct transfer payment

23. Contingency allowance is a .....

- A) Tangible benefit
- B) Tangible cost
- C) Intangible benefit
- D) Intangible cost

24. Benefits due to "temporal value of produce" is a .....

- A) Tangible benefit
- B) Intangible benefit
- C) Zero benefit
- D) Transfer payment

25. In Social Cost-Benefit (SCB) analysis, we look at the project from the point of view of

.....

- A) Capital investment proposition
- B) Resource investment proposition
- C) Project implementing body
- D) Financial analysis

26. Which is not a part of the costs and benefits accruing to the project implementing body?

- A) Primary costs
- B) Primary benefits
- C) Individual consumers' surplus
- D) Improvement in the quality of project output

27. Which is not a feature of the perfect market?

- A) A large number of buyers and sellers
- B) Perfect knowledge
- C) Free entry and exit
- D) Heterogeneous product

28. How to define the change in relative prices?

- A) Absolute change in prices of inputs
- B) Some inputs become more costly or less costly than other inputs
- C) Absolute change in the cost of inputs than the other inputs in the production
- D) Same percentage change in output prices and input prices

29. What is the full form of c.i.f.?

- A) Cost, insurance, and freight
- B) Cost, incentives, and freight
- C) Cost, incentives, and form
- D) Cost, insurance, and form

30. What is done in the Kick-off meeting?

- A) The work Breakdown Schedule (WBS) is discussed
- B) Labor Requirement is estimated
- C) Overhead is estimated
- D) Materials and Support Services are estimated

31 Why is the financial management competence assessed?

- A) See the availability of resources from various sources to match the investment capacity
- B) Assess capability to manage the project implementation
- C) Assess incentives to encourage the project entities to participate
- D) Determining the amount and timing of investment

32. Farm Investment Analysis is prepared for the period of .....



- A) One crop season
- B) One year
- C) The period until production start
- D) The whole life of the project

33. For the valuation of farm production which price is considered?

- A) Wholesale prices
- B) Retail prices
- C) Farm gate price
- D) Consumer price index

34. Which among the following is a fixed asset?

- A) Accounts receivable
- B) Inventories for prompt sale
- C) Tradable investment (shares)
- D) Equipment

35. Which statement reports how profitable is firm's business through a particular period?

- A) Balance sheet
- B) Income statement
- C) Cash flow statement
- D) Financial ratio

36. Which statement highlights the movements of investment funds over the life of the project?

- A) Balance sheet
- B) Income statement
- C) Cash flow statement
- D) Financial ratio

37. Which statement measures how well a firm manages its cash to meet its obligations (operating expenses, loan payment, etc.)?

- A) Balance sheet
- B) Income statement
- C) Cash flow statement
- D) Financial ratio

38. The economic theory holds that every economic commodity will be priced at its .....

- A) Marginal value product in any market
- B) Marginal value product in a perfect market
- C) Administrative price in any market
- D) Administrative price in a perfect market

39. If buying is competitive, the price paid by each consumer for the unit of goods reflects

- A) No relation between the price paid and expected satisfaction
- B) Less satisfaction than expected
- C) More satisfaction than expected
- D) Precisely expected satisfaction from that unit

40. What is included in intangible benefits?

- A) Direct benefits that are reflected by an immediate willingness to pay
- B) Indirect benefits measured in monetary value
- C) The net gain to society that is not fully captured by the project output
- D) By-product from the products

41. GNP is the same as GDP except it .....

- A) Includes income earned abroad and excludes income transferred out of the country by foreign owners
- B) Excludes income earned abroad and includes income transferred out of the country by foreign owners
- C) Includes income earned abroad and income transferred out of the country by foreign owners
- D) Excludes income earned abroad and income transferred out of the country by foreign owners

42. The act of replacing worn-out assets and creating new assets is known as .....

- A) Capital formation
- B) Working capital expenditure
- C) Maintenance expenditure
- D) Consumption expenditure

43. Some self-supplied goods and services caused the problem in measuring domestic products. It is called .....

- A) Side Effects and Economic Bad
- B) Double Counting
- C) Imputed Values
- D) Underground Economy

44. Which is not correct for estimating the discount rate?

- A) Discounting rate is the opportunity cost of capital
- B) Represents the minimum rate of return for justifying the investment
- C) If capital is to be borrowed, then the discount rate should be less than the interest rate
- D) Need to be careful in finding out the discount rate

45. Average Annual Proceeds of Rupee Outlay are calculated as.....

- A) Total receipts are first divided by the project life span and the average proceeds obtained per year are divided by the initial investment
- B) Divide the total receipts by the total amount of investment
- C) The ratio of average income to the book value of the assets
- D) Divide the investment by the annual net cash revenue

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

- A) It is simply the present worth of the cash flow stream
- B) The selection criteria include the positive value of the net present worth
- C) It is a relative measure, not the absolute measure
- D) Zero NPW makes the investor indifferent

47. Under which situation sensitivity analysis is recommended?

- A) If there are firm probabilities to the future value of parameters
- B) If there are no firm probabilities to the future value of parameters
- C) The known magnitude of the social discount rate
- D) Known shadow prices for unemployed resources

48. The magnitude of change in an unfavorable direction before the project no longer meets the minimum level of acceptability as indicated by one of the measures of project worth. It is called as.....

- A) Sensitivity analysis
- B) Switching Value
- C) Decision-trees
- D) Monte Carlo technique

49. At the end of a project, there may be some residual (or terminal) value. It is called

.....

- A) Mutually Exclusive Value
- B) Switching Value
- C) Residual Value
- D) Replacement cost

50. The cost of earning or saving a unit of foreign exchange is called.....

- A) Domestic Resource Cost
- B) Residual Value
- C) Replacement Cost
- D) Contingency Allowances