

**NIRMA UNIVERSITY**  
**Institute of Commerce**  
**Bachelor of Commerce (Hons.)**  
**[B.Com. (Hons.)]**  
**Semester – V**

<b>L</b>	<b>T</b>	<b>P</b>	<b>C</b>
<b>4</b>	<b>1</b>	<b>-</b>	<b>5</b>

<b>Course Code</b>	<b>DSE-A-3</b>
<b>Course Title</b>	<b>PROJECT FEASIBILITY AND FINANCING</b>

**Course Learning Outcomes (CLO):**

At the end of the course, students will be able to:

- Explain the project life cycle.
- Identify relevant sources for project financing.
- Construct financial feasibility analysis of a project.

**Syllabus**

**Teaching Hours**

<p><b>Unit I: Introduction to Projects</b></p> <ul style="list-style-type: none"> <li>• Nature of Projects</li> <li>• Types of Project</li> <li>• Project Development Process</li> <li>• Project Life Cycle</li> <li>• Project Clearances</li> </ul>	6
<p><b>Unit II: Introduction to Market, Demand and Technical Analyses</b></p> <ul style="list-style-type: none"> <li>• Demand Forecasting</li> <li>• Market Research</li> <li>• Technical Analysis</li> </ul>	6
<p><b>Unit III: Financial Feasibility Analysis</b></p> <ul style="list-style-type: none"> <li>• Profit v/s Cash Flow</li> <li>• Tax-Shield on Interest and Depreciation</li> <li>• Determination of Discount Rate</li> <li>• DCF Techniques: Net Present Value (NPV), Internal Rate of Return (IRR), XIRR, MIRR</li> <li>• Project IRR and Equity IRR</li> <li>• Payback Period and Discounted Payback Period</li> </ul>	15

<p><b>Unit IV: Financial Projections</b></p> <ul style="list-style-type: none"> <li>• Assumptions</li> <li>• Estimation of Project Cost</li> <li>• Projected Profit &amp; Loss Account</li> <li>• Projected Balance Sheet</li> <li>• Cashflow Projections</li> <li>• Taxation and Incentives</li> <li>• Loan Servicing Capability: (i) Interest Coverage Ratio (ICR) (ii) Debt Service Coverage Ratio (DSCR)</li> <li>• Sensitivity Analysis</li> </ul>	15
<p><b>Unit V: Project Financing and Sources</b></p> <ul style="list-style-type: none"> <li>• Prudence in Mix of Long Term and Short Term Finance</li> <li>• Forms of Project Finance</li> <li>• Loan Documentation</li> <li>• Lease Financing</li> <li>• Venture Capital &amp; Private Equity</li> </ul>	10
<p><b>Unit VI: Infrastructure and Public Private Partnerships</b></p> <ul style="list-style-type: none"> <li>• PPP Models: Parties to a PPP Model; PPP Process</li> <li>• Model Concession Agreements (MCA) in Highways, Greenfield Airports, and Transmission of Electricity</li> </ul>	8

### **Suggested Readings:**

Prasanna Chandra, *Projects: Planning, Analysis, Selection, Financing, Implementation, and Review*, TMH, New Delhi.

Gatti, S., *Project Finance in Theory and Practice: Designing, Structuring and Financing Private and Public Projects*, Elsevier

S. Choudhury, *Project Management*, TMH, New Delhi.

Vasant Desai, *Project Management*, Himalaya Publishing House, Mumbai.

w.e.f. Academic Year 2018-19 and onwards