



**THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED**

**Q.1. Write short answers to the following questions. (6x5=30)**

- I. Differentiate between Economic and Financial analysis**
- II. Give different types of Benefits.**
- III. Write the formula of Shadow Exchange Rate and its use in project appraisal**
- IV. Give examples to differentiate between the Economic and Social Benefits.**
- V. Explain the Domestic Resource Cost of foreign exchange earnings.**
- VI. What is capitalization. Give examples**

**Write detailed answers to the following questions. (3x10=30)**

**Q. 2. Explain Cost-Effectiveness analysis in detail.**

**Q. 3. What are financial intermediaries? How they play their role in speculation and interaction between financial and real variables in an economy.**

**Q. 4. Find the switching value of costs of the following stream of costs and benefits. Assume that discount rate is 12%.**

<b>Year</b>	<b>Costs</b>	<b>Benefits</b>
1	10	0
2	10	0
3	10	0
4	3	10
5	2	10
6	1	10
7	4	10
8	3	10
9	1	10
10	1	10