

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -I EXAMINATION- Feb 2024

M Tech-II Semester (CE)

COURSE CODE (CREDITS):10M11CE214

MAX. MARKS: 15

COURSE NAME: Construction Financial Management

COURSE INSTRUCTORS: Prof. Ashok Kumar Gupta

MAX. TIME: 1 Hour

Note: (a) All questions are compulsory.

(b) Marks are indicated against each question in square brackets.

(c) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems.

Q1. What is financial management and why the financial management of construction companies is different from financial management of most other companies. What does a financial manager do? How will you manage cash flow? (4)

Q2. Determine the change to the balance sheet, income statement, and job cost ledger of an estimator's time when that time is entered into the accounting system. The estimator is paid \$895.90 each week. The employer has the following burden costs: \$55.55 for social security tax, \$12.99 for Medicare, \$26.88 for SUTA, \$7.17 for FUTA, \$8.96 for liability insurance, \$71.67 for workers' compensation, \$24.00 for the health insurance premium, and \$38.00 is set aside for vacation. The employee has the following amounts withheld from his or her check: \$55.55 for social security tax, \$12.99 for Medicare, \$75.25 as federal withholding, \$33.86 for state withholding, and \$76.08 for the employee's part of the health insurance premium. (5)

Q3. What is the future value six years from now of a \$1,000 cash flow that occurs one year from now using a periodic interest rate of 10% compounded annually? (3)

Q4. What is the future value ten years from now of ten \$500 cash flows using a periodic interest rate of 9% compounded annually? The cash flows occur at the end of each year and begin a year from now. (3)