

COURSE FILE
ON
ENTREPRENEURSHIP, PROJECT
MANAGEMENT AND STRUCTURED
FINANCE

Open Elective-II
B.TECH III YEAR, SNIST
(IT)

ACADEMIC YEAR 2021-22

COURSE OBJECTIVES:

Co 1: To provide the information about the concepts of entrepreneurship, its characteristics and financial sources available to the entrepreneurs.

Co 2: To enlighten the students regarding the concept and characteristics of project, the types of projects and the challenges of project management.

Co 3: To make the students understand the process of generating and screening of project ideas, the various items contained in the project report and the usage of tools and techniques in the implementation and control of projects.

Co 4: To describe the various types of debentures and familiarize the student regarding the securitization process and about the structured finance products.

Co 5: To compare CMBS with other mortgage backed securities, explain the loan cycle and the key players involved therein and discuss the characteristics of different property types.

Co 6: To introduce to the students the servicing aspect of CMBS, the role of different servicers and the ethical, legal and technological aspects related to the servicing function.

PROGRAM OUTCOMES:

- a) To understand the global, environmental, political, economic, legal and regulatory context of business.
- b) To understand individual ethical behavior and community responsibilities in organization and society.
- c) To create value through identifying customer needs and implementing integrated production and distribution of goods, services, and information
- d) To develop capacity to apply knowledge in new and unfamiliar circumstances through a conceptual understanding of relevant disciplines
- e) To develop capacity to adapt and innovate to solve problems, to cope with unforeseen events ,and to manage in unpredictable
- f) Able to manage diversity, contemporary societal and global issues
- g) To demonstrate leadership and team work capabilities
- h) Able to enhance in verbal, written and presentation communication skills

- i) Analyzing financial statements, portfolio management, investment decisions
- j) To demonstrate capabilities in new venture creation & entrepreneurship
- k) Achieve higher levels of proficiency and self actualization through pursuing lifelong learning

Program outcome	A	B	C	D	E	F	G	H	I	J	K
Course Objectives											
Co 1	X										
Co 2	X										
Co 3	X			X							
Co 4	X										
Co 5										X	
Co 6	X			X					X		

L T P C
2 1 0 3

a	b	c	d	e	f	g	h	i	j	k
x			x					x	x	

7ZC19 ENTREPRENEURSHIP, PROJECT MANAGEMENT AND STRUCTURED FINANCE

Course Objective: The objective of the course is to make students understand the nature of Entrepreneurship, its importance and to create an awareness regarding the systematic planning and implementation of projects; highlight the components of structured finance and establish a framework of CMBS with respect to Servicing Agreements

UNIT I

CONCEPTS OF ENTREPRENEURSHIP: Definition of Entrepreneurship, Evolution of Entrepreneurship, Classification of Entrepreneurs, Characteristics of Entrepreneur, Selection of Product and the means required for starting an enterprise, Financing and Financial incentives available, Success rate of entrepreneurs – a case study.

UNIT-II

BASICS OF PROJECT MANAGEMENT: Concept and characteristics of a project - types of projects - Objectives of project management - Project Organizational structure - Project life cycle - Challenges and problems of project management - Qualities & functions of a project manager.

UNIT III

PROJECT FORMULATION AND IMPLEMENTATION: Generation of Project Ideas; Monitoring the environment; Preliminary Screening of Projects; Feasibility study; Project Selection. Detailed Project Report: Market, Technical, Financial and Economic aspects. Pre-requisites for Successful Project Implementation; Control of in-progress Projects (Gantt chart, PERT, CPM); Project Risk Management Process, Post-audit; Abandonment Analysis

UNIT-IV

INTRODUCTION TO STRUCTURED FINANCE: Term Loans, Bonds/Debentures, Types of debentures, Issue of debt instruments. Structured Finance: Evolution, Securitization process, characteristics, and structured finance products (ABS, CDO, MBS, CDS)

UNIT-V

COMMERCIAL MORTGAGE LOAN BASICS: Definition and characteristics of CMBS, CMBS Vs other Mortgage Backed Securities, CMBS three level perspective: property level, loan level, bond level; Life cycle of commercial real estate loans – Loan cycle, Key players in loan cycle; Property types and characteristics, property performance.

UNIT-VI

BASICS OF CRE SERVICING: Introduction to servicing, Role of the Servicer, Servicing approaches, Influence of technology, Ethics in commercial servicing, Servicing – sources of income, Overview of servicing agreements, Pooling & Servicing agreement, Sub servicing agreement.

Books Recommended:

- H. Nandan, Fundamentals of Entrepreneurship, Prentice Hall of India, First Edition, New Delhi, 2007.
- Jeffrey K. Pinto “Project Management”, 2nd edition, Pearson
- Dhandapani Alagiri “Structured Finance – Concepts & Perspectives”, ICFAI University press.

References:

- Projects by Prasanna Chandra, McGraw-Hill Publishing Co. Ltd

- Project Management: Systems approach to Planning Scheduling and Controlling, H. Kerzner.
- The Complete Real Estate Documents by Mazyar M. Hedayat, John J. O'leary
- The Fundamentals of Listing and Selling Commercial Real Estate - By Keim K. Loren (Author)

LECTURE SCHEDULE

S. No	UNIT	No. of PERIODS	TOPIC TO BE COVERED
1	I	8	Evolution of Entrepreneurship
2			Definition of Entrepreneurship,
3			Classification of Entrepreneurs
4			Characteristics of Entrepreneur
5			Selection of Product and the means required for starting an enterprise
6			Financing and Financial incentives available
7			Success rate of entrepreneurs.
8			Case Studies of Indian and Foreign Entrepreneurs

9	II	8	Concept of a project
10			Characteristics of a project
11			Types of projects with examples
12			Objectives of project management
13			Project Organizational structure
14			Project life cycle
15			Challenges and problems of project management
16			Qualities & functions of a project manager.
17	III	9	Generation of Project Ideas
18			Monitoring the environment
19			Preliminary Screening of Projects
20			Feasibility study and Project Selection
21			Detailed Project Report: Market, Technical, Financial and Economic aspects
22			Pre-requisites for Successful Project Implementation
23			Control of in-progress Projects (Gantt chart, PERT, CPM)
24			Project Risk Management Process
25			Post-audit; Abandonment Analysis
26	IV	7	Introduction to Term Loans
27			Introduction to Bonds/Debentures
28			Types of debentures,
29			Issue of debt instruments
30			Structured Finance: Evolution
31			Securitization process, characteristics
32			Structured finance products (ABS, CDO, MBS, CDS)
31	V	7	Definition and characteristics of CMBS
32			CMBS Vs other Mortgage Backed Securities
33			CMBS three level perspective: property level, loan level, bond level
34			Life cycle of commercial real estate loans
35			Loan cycle and Key players in loan cycle
36			Property types and characteristics
37			Monitoring Property Performance
38	VI	8	Introduction to servicing
39			Role of the Servicer
40			Servicing approaches
41			Influence of technology
42			Ethics in commercial servicing
43			Servicing – sources of income,
44			Overview of servicing agreements
45			Pooling & Servicing and Sub-Servicing Agreement

Questions (Unit Wise)

Questions From Unit - I

Short Answer Questions

1. Define the word Entrepreneur.
2. Define Entrepreneurship.
3. How is an Intrapreneur different from an entrepreneur?
4. List the various stages in the entrepreneurial process.
5. What are the rewards that an individual can expect after becoming an entrepreneur?
6. Mention the reasons for the new product development.

Long Answer Questions

1. Enumerate the reasons for people showing interest in entrepreneurship.
2. Describe the various functions of an entrepreneur.
3. Discuss the various internal factors which have an influence on the emergence of entrepreneurship.
4. Discuss the various external factors which have an influence on the emergence of entrepreneurship.
5. Give an account of the various views expressed by different authors about entrepreneurs.
6. Describe the core competencies that are required to become an entrepreneur.
7. Give an account of the classification of entrepreneurs.
8. Highlight the various financial incentives available from the government for the entrepreneurs.

Questions From Unit – II

Short Answer Questions

1. Define a project.
2. Give examples of stakeholders who may have an interest in a project.
3. Highlight the role of project sponsor in a project.
4. Give examples of various types of projects.
5. Mention the advantages and disadvantages of Matrix organizational structure.
6. Enumerate the challenges faced by a project manager in the execution of a project.
7. List the qualities required to become a project manager.

Long answer Questions:

1. Describe the roles and responsibilities of a project manager.

2. Explain the different characteristics of a project.
3. Explain with the help of a diagram the flow process in a project from input to output stages.
4. Discuss in detail the various objectives of a project.
5. Differentiate between projects and operations with suitable examples.
6. Differentiate between project focused organizations and process focused organizations.
7. Compare and contrast functional organizations with projectized organizations with examples.
8. Why do project-based organizations prefer Matrix organizational structure?
9. Explain in detail the various phases of the project life cycle with the help of examples.

Questions From Unit – III

Short Answer Questions

1. List the various sources of generating ideas that result in the initiation of projects.
2. Highlight the reasons for the Experience Curve.
3. What are the aspects that are considered with regard to the preliminary screening of the projects?
4. Mention the steps involved in determining the project rating index.
5. Highlight the items that are included in the detailed project report.
6. Explain the purpose of feasibility report.
7. List the areas where Expert judgment finds its application with regard to the projects.
8. Write a short note on Abandonment Analysis.
9. Define the terms: Network, Activity, Critical Activity and Critical Path.

Long answer Questions:

1. Explain the role of a project manager in stimulating the generation of ideas for initiating a project.
2. Illustrate with an example, how SWOT analysis can be used for screening of project ideas.
3. Give an account of the Life Cycle approach for the identification of investment opportunities.
4. Enumerate the usage of Experience Curve for the identification of investment opportunities.
5. With the help of a block diagram, illustrate the Porter's Five Force model for determining the profit potential of industries.
6. Explain with the help of a suitable diagram, the various steps in a feasibility report.
7. Differentiate between market feasibility and technical feasibility.
8. What is Post Audit? Explain its purpose with an example.

9. A project has the following nine activities. The expected time of each activity is given below:

Activity	1-2	1-3	1-4	2-5	3-5	3-6	4-6	5-7	6-7
Expected Time in days	5	4	7	6	10	7	8	5	6

- (i) Draw the project network
- (ii) Identify the critical path
- (iii) Find the project duration

Questions From Unit – IV

Short Answer Questions

1. List the types of debentures from the point of view of security, tenure, convertibility and rate.
2. What do you understand by credit tranching in CMBS? Illustrate with the help of a diagram.
3. List the advantages of CMBS.
4. Mention the advantages of securitization process.
5. Differentiate between ABS and CDO.

Long answer Questions:

1. Explain in detail the procedure for the issue of debentures.
2. Differentiate between convertible and non-convertible debentures with the help of an example.
3. Describe in detail the nature and scope of structured finance.
4. Explain the characteristic features of CMBS.
5. Discuss in detail the role of various participants in the securitization process.
6. Differentiate between Mortgage Pass-Through Securities and Adjustable Rate Mortgage.
7. Describe the events that led to the evolution of the CMBS process.

Questions From Unit – V

Short Answer Questions

1. List the eligible collaterals for the securitization process.
2. What do you understand by Refinancing? How is refinancing decision arrived at?
3. What do you mean by multifamily loan and multifamily servicing?
4. Mention the three level perspectives with regard to the CMBS process.

Long answer Questions:

1. Describe the characteristics of property types in CMBS.
2. Describe the characteristics of various loan types in the loan level perspective in CMBS.
3. Explain the advantages of securitization for a borrower, a lender and an investor.
4. How is the performance of property evaluated in the CMBS process?

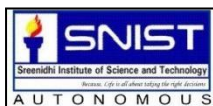
Questions From Unit – VI

Short Answer Questions

1. Mention the core requirements of the Servicing Agreement.
2. List the basic elements that are included in the Pooling and Servicing Agreement (PSA).
3. Mention the different types of loan servicers.
4. Why is a Sub-Servicing Agreement needed in CMBS?
5. What do you understand by Servicing Agreement in CMBS?

Long answer Questions:

1. Explain in detail the role of the loan servicer.
 2. Compare and contrast the roles and responsibilities of primary servicer, master servicer and the special servicer.
 3. Explain the importance of Ethics in commercial servicing.
 4. Describe in detail the main sources of compensation for the servicers in CMBS.
- the role of technology in the Servicing business.



A10

Sreenidhi Institute of Science & Technology(An Autonomous Institution)

Modle Question Paper

B. TECH. III – Year I – Semester Examinations

ENTREPRENEURSHIP, PROJECT MANAGEMENT AND STRUCTURED FINANCE

Time: 3 Hours

Max. Marks: 70

Note: No additional answer sheets will be provided.

Part-A

Max.Marks:20

ANSWER ALL QUESTIONS.

- 1) Define the terms entrepreneur and entrepreneurship.
- 2) Identify the problems of project management.
- 3) Outline few points about feasibility study in project management?
- 4) List the characteristics of a Self-Service loan.
- 5) Write about the property level perspective of CMBS.
- 6) Mention the different sources of income for a servicer.
- 7) Outline various sources of finance available for an entrepreneur?.
- 8) Identify the various ways of generating project ideas.
- 9) Differentiate between MBA and CMBS?
- 10) Critically evaluate about debentures as a source of finance?

Part – B

Max. Marks: 50

ANSWER ANY FIVE QUESTIONS. EACH QUESTION CARRIES 10 MARKS.

- 1 a. Discuss the various financial incentives that are provided by the government for the entrepreneurs.
b. Enumerate the reasons for people showing interest in entrepreneurship
- 2 a. Compare and contrast functional organizations with projectized organizations with examples.
b. Explain the qualities required to become a project manager.
3. a. Differentiate between PERT and CPM. Construct a Network diagram with an example?

- b. Illustrate with an example, how SWOT analysis can be used for screening of project ideas.
- 4. a. Define a debenture? Analyze the characteristics of debentures.
 - b. Outline the securitization process with the help of an example.
- 5. a. Distinguish between Mortgage-Backed Securities (MBS) and Asset-Backed Securities (ABS).
 - b. Explain the advantages of Commercial Mortgage Backed Securities (CMBS).
- 6. a. Contrasts the roles played by the Primary Servicer, Master Servicer and Special Servicer in the securitization process.
 - b. Describe the contents of Sub servicing Agreement.
- 7. a. Explain the basis for the classification of entrepreneurs.
 - b. Discuss the advantages and limitations of Matrix form of organization for managing projects.
 - c. Summarize the purpose of post audit in the field of project management.
- 8. a. Highlight the features of structured finance products – CDO and CDS.
 - b. How is the performance of property evaluated under commercial mortgage with the help of ratios?
 - c. Discuss the importance of ethics in commercial servicing.