

**INDIAN MARITIME UNIVERSITY**  
(A Central University, Govt. of India)  
**End Semester Examinations –June/July 2019**  
**Semester-IV**

**M.B.A**

(Port & Shipping Management)

**Public Private Partnership and Port Development (PG21T2404)**

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**Date: 13.06.2019**

**Time: 3 Hrs**

**Max Marks :60**

**Pass Marks: 30**

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**PART-A**

**(Answer all the questions)**

12 X 1 = 12

1. VFM stands for

- a) Valuation Financing and Monitoring
- b) Value for Money
- c) Value Funds Monitoring
- d) None of the above

2. When emphasis is on 'asset creation' rather than 'procurement of services', it is

- a) Output based approach
- b) Input based approach
- c) Public contract
- d) None of the above

3. A concession contract usually has a tenure of

- a) 10-15 years
- b) 5-10 years
- c) 15-30 years
- d) 90 years and above

4. In Chennai Port, PSA started operations by a PPP contract in 2009 for

- a) Building a Coal handling berth
- b) Building a Container terminal
- c) For Operation and maintenance of existing berths
- d) All of the above

5. Which of the following is NOT an instrument of Fiscal support by Government?

- a) Cash subsidies
- b) Tax breaks
- c) Land grants
- d) Term loans

6. The two principles of Risk allocation are
- a) Capacity & Compensation
  - b) Investment & Influence
  - c) Capacity & Cost
  - d) None of the above
7. Which of the following is a Marine related asset?
- a) Jetty
  - b) Channels
  - c) Cranes
  - d) All the above
8. In Mezzanine Financing, the interest charged usually is
- a) Very high
  - b) Subsidised
  - c) Nil
  - d) None of the above
9. Implicit guarantee is also known as
- a) Obligatory guarantee
  - b) Express guarantee
  - c) Bailout guarantee
  - d) None of the above
10. An Escrow account is opened
- a) In the name of the concessionaire
  - b) In the name of the SPV of project
  - c) Only by the Government entity
  - d) Any of the above
11. In India, millions of acres of Land are owned by three Government departments; which are
- a) Ports, Defence & Telecom
  - b) Railways, Roadways & Ports
  - c) Defence, Railway & Postal
  - d) Postal, Railways & Telecom
12. 'Unlocking potential of Land' refers to
- a) Improved agriculture
  - b) Release of 'Dead capital'
  - c) Land clearance
  - d) Building houses

## **PART-B**

**(Answer any five questions out of seven)**      5 X 4 =20

13. Define PPP. Lay down the popular models of PPP used in infra projects
14. What is PSC? What are the cost elements it is based on?
15. Explain the essentials of a legal framework for a PPP concession contract.
16. What are the salient features of Port infrastructure?
17. Explain any four functions of a sound Regulatory body in PPP governance.
18. Consider Chennai Port, Vizag Port and JNPT to explain the various Port management models.
19. State two instances of successful PPP projects of a developing country and point out the key success factors. (From China/ Brazil/ Philippines/Australia)

## **PART-C**

**(Question No 20 is compulsory and any three questions to be answered from the remaining)**      4 x 7 = 28

20. Write an essay on the institutional structure needed for a robust PPP.
21. Describe the stumbling blocks that PPP development in India faces.
22. Read the extract below and analyse the terms of the PPP concession. Give suggestions.

### **KDWP- Signing the 50 years Concession Agreement-Is it a right move?**

Kakinada Deep Water Port (KDWP) was commissioned by the Government of AP in November 1997 with a quay length of 610 Meters. The Kakinada Seaports took over operations when the port was privatized in 1999.

Ten years later, the port was expanded to 2,500 meters of quay length for multi-product handling and stand-alone facility for off-shore supplies for deep sea exploration. At present the Port is fully geared up to handle 20 Million tons per annum with complete infrastructure in place.

Kakinada Gateway Port Limited (KGPL), a subsidiary of Kakinada SEZ Limited (KSEZ), signed a concession agreement with the government of Andhra Pradesh for the development of a Greenfield commercial port in Kona Village, East Godavari District; Andhra Pradesh, located in south-east India. Investment in the project was projected to be approximately INR21 billion (US\$294.5 million).

The concession was structured on a Design, Build, Finance, Operate and Transfer (DBFOT) basis. KSEZ received the letter of award for the concession on 5 October 2018, with an agreed concession fee of 2.7% of revenue share in the first 30 years of commercial operations, 5.4% of revenue share in the years 31 to 40 and 10.8% revenue share in the years 41 to 50.

23. Explain the unique nature of Social Acceptability risks and how it can be mitigated?
24. Debate on the Indian infrastructure scenario highlighting on the reasons for slow progress in spite of spiralling demand.
25. Illuminate the critical issues of a concession agreement in a PPP contract.