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| Name: |  UPES UNIVERSITY WITH A PURPOSE |
| Enrolment No: | |

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
Online End Semester Examination, Dec 2020

Course: Urban Finance
Program: B. Plan
Course Code: SPCC 4002

Semester: VII
Time 03 hrs.
Max. Marks: 100

SECTION A

1. Each Question carries 5 Marks

2. Instruction: Complete the statement / Select the correct answer(s)

| S. No. | Question | CO |
|--------|---|------------|
| Q 1 | A. IGFR stands for B. Indian Railways Stations Re-development Project is an example offinancing C. has been set up by the Central Government of India. The main aim of the Government authorities is to provide credit enhancement facilities to based on their credit worthiness. This will enable them to access through state-level pooled mechanism. | CO1 |
| Q 2 | Write short note on: a) Impact Fee b) Development Charges c) User Charge d) Sub-division Fee e) Landuse Conversion Fee | CO2 |
| Q 3 | Urban reforms under AMRUT are: a) b) c) d) e) | CO2 |
| Q 4 | Identify innovative ways of financing Urban Development: a) b) c) d) e) | CO2 |
| Q 5 | 1.....,.....2.....3.....4.....sectors are included in Finance Vertical of Municipal Performance Index Assessment Framework 2019. | CO3 |
| Q 6 | The criteria for Credit Rating of ULB's as per ICRA are: a) | CO3 |

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| | b) | |
| | c) | |
| | d) | |
| | e) | |

SECTION B

1. Each question carries 10 marks

2. Instruction: Write short / brief notes

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| Q 1 | Discuss nature and composition of income and expenditure of a Municipal Bodies in India. Highlight the limitations and need for revenue Enhancements. | CO1 |
| Q 2 | Identify the various sources of Urban Finance in India. Categorize them in Traditional and Non-Traditional sources. | CO1 |
| Q 3 | Comment on the 'Privatization of civic services'. Relate the PPP Models with the various type of risks and their allocation among the parties. | CO2 |
| Q 4 | Why Central Govt. releases Financial Resources based on achievement of urban reforms by Urban Local Bodies? Highlight the contemporary provisions under Atal Mission for Rejuvenation and Urban Transformation (AMRUT). | CO2 |
| Q 5 | Explain the concept with the help of best practices from any of the Indian Cities: Land Value Capture or Credit Rating followed by Issuance of Municipal bonds. | CO3 |

SECTION-C

1. Each Question carries 20 Marks.

2. Instruction: Write long answer.

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| Q 1 | <p>Review the following Article:</p> <p align="center">The vexed question of financing Indian cities Published in MINTon26 Jul 2017, 01:57 PM IST Author - Nandan Sharalya</p> <p align="center"><i><u>Their financial health is in such a pathetic state that urban local governments have to rely on state governments to fund even basic operational expenditure</u></i></p> <p>About 814 million people are expected to live in Indian cities by 2050. Just in terms of scale, the task of effectively managing cities in India will potentially be touted as the world's greatest managerial challenge. And while China might have an almost equal number living in its cities, it is better poised to handle its urban explosion than India.</p> <p>The numbers paint a disappointing picture. A 2010 McKinsey report estimates that India will need to spend \$1.2 trillion by 2030, a far cry from current spending estimates. India's annual per capita spending on cities stands at a measly \$50. The corresponding figures for China and the UK are about \$362 and \$1,772, respectively.</p> <p>The financial health of Indian cities is in such a pathetic state that revenue generated by urban local bodies accounts for less than 0.9% of the total GDP (gross domestic product) despite cities contributing almost 60% towards GDP. Several urban local governments have to also rely on state governments to fund even basic operational expenditure like employee salaries.</p> | CO3 |
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In tier 2 and tier 3 cities, urban local bodies and municipal corporations have had little or no autonomy or capacity to raise revenue. The government's flagship urban development schemes fund only a fraction of the required investment and cities are tasked with finding other ways to bridge the funding gap. For example, under the Smart Cities Mission, the government has allocated \$15 billion for 100 cities to be disbursed over four years, with equal contributions from the Central and state governments. This amount is by no means sufficient

Answer the following:

Formulate a strategy to make the Urban Finance buoyant in current situation.

OR

Highlight the current scenario of various sources of Urban Finance to support claim Made by the Author.