

Assignment - IV

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II Explain in brief the meaning of project.

The dictionary meaning of project is that in a scheme, design a proposal of something intended to be achieved. Newman & his associates define that "a project has typically has a distinct mission that it is designed to achieve & clear termination point, the achievement of the mission.

Gittinger defines project "as a whole complex of activities involved in using resources to gain". Acc. to Encyclopedia of management "a project is an organized unit dedicated to the attainment of goal - the successful completion of a development project on time, within budget, in conformance with predetermined programme specifications. "Now a project can be defined as a scientifically evolved work plan devised to achieve a specific objective within a specified period of time.

Project can differ in their size, nature of objectives, time duration & complexity - However projects partake of the following three basic attributes.

- (i) A course of action.
- (ii) Specific objectives &
- (iii) Definite time perspective.

Every project has starting point, an end point with specific objectives.

2] Write a note on the following.

(a) Idea generation:

The process of project selection starts with idea generation. In order to select most promising & profitable project the entrepreneur has to generate large number of ideas about the possible projects he can take. The project idea can be discovered from various internal & external sources. These may include

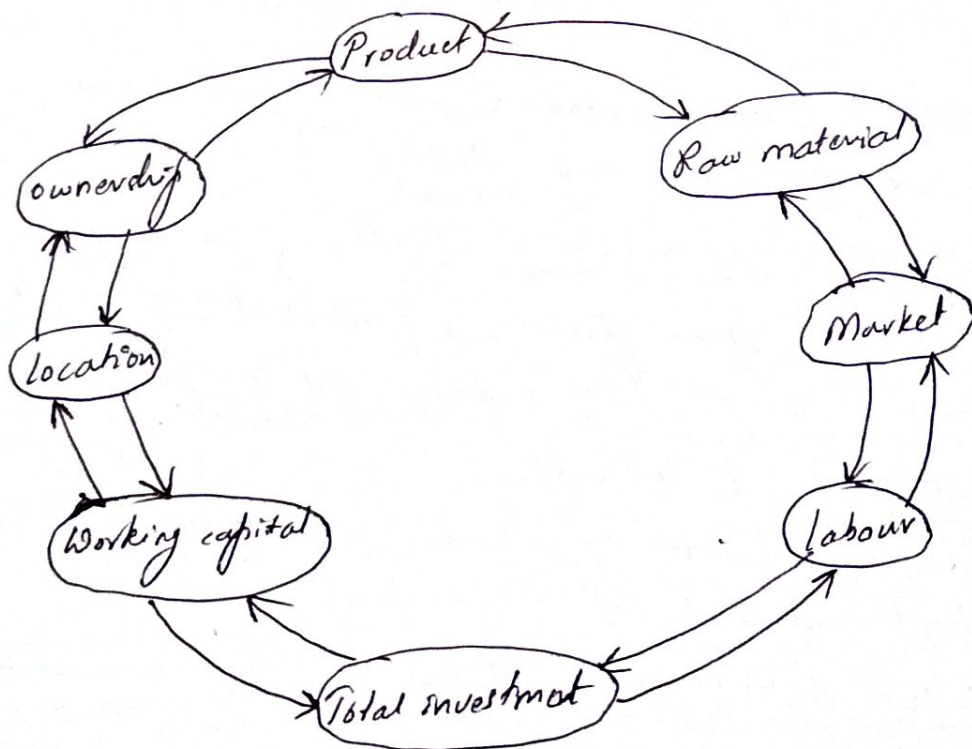
- (i) Knowledge of potential customer needs.
- (ii) Personal observation of emerging trend in demand for certain products.
- (iii) Scope for producing substitute product.
- (iv) Trade & professional magazines which provide a very fertile source of project ideas.
- (v) Departmental publication of various (H) dept. of the government.
- (vi) Success stories of known entrepreneurs or friends or relatives.
- (vii) A new product introduced by the competitor.
- (viii) Ideas given by knowledgeable person.

All these sources putting together may give few ideas about the possible project to be examined among which the project must be selected. After going through these sources if an entrepreneur has been able to get six project ideas, one project idea will be finally selected going through the following selection process.

(b) Project selection:

Project selection starts once the entrepreneur has generated few ideas of project. After having some ideas, these project ideas are analyzed in the light of existing economic conditions. For this purpose a tool is generated used what is called SWOT analysis. The intending entrepreneur analyses his strengths & weaknesses as well as opportunities advantages & threats offered by each of the project ideas. An entrepreneur needs to analyze other related aspects like raw materials, location, labor & forms of ownership etc.

On the basis of this analysis the most suitable idea is finally selected to convert it into an enterprise. The process involved in selecting a project out of view projects is also termed as "Zeroing in Process".



3) What do you mean by project report?

Explain in brief the contents of project report.

A Project report can be defined as a well evolved course of action devised to achieve the specified objectives within a specified period of time.

General information: Information on project profile & product details.

Promoter: His/her educational qualification, work experience project related experience.

Location: exact location of the project, lease, location advantages.

Land & building: Land ~~area~~ area, construction area, type of construction, cost of construction, detailed plan & estimate along with plant layout.

Plant & machinery: Details of machinery required, capacity suppliers, cost of miscellaneous assets.

Utilities: Water, power, steam, compressed air requirements, cost estimates sources of utilities.

Transport & communication: Mode, possibility of getting costs.

Man Power: Man power requirement by skilled & semi-skilled sources of manpower supply. cost of procurement, requirement for training & its cost.

Market: End-users of product, distribution of market as local, national, international.

Products: Product mix, estimated sales distribution channels, product std. i/p- o/p ratio.

7) Discuss the guidelines of planning commission for project report.
General information: The feasibility report should include an analysis of the industry to which the project belongs. It should deal with the past performance of the industry.

Preliminary analysis of alternatives: This should contain present data on the gap b/w demand & supply for the opp which are to be produced. The ^{rate of} return ~~of~~ on investment should be calculated & presented in the report.

Project description: The feasibility report should provide a brief description of the technology/process chosen for project. Information relevant for determining the optionality of the location chosen should also be included.

Marketing plan: It should contain the following items.
 Data on the marketing plan, demand & prospective supply in each of the areas to be served.

Capital requirement & cost: The estimate should be reasonably complete & properly estimated. Info. on all items of costs should be carefully collected & presented.

Operating requirements & costs: operating costs are essentially those costs which are incurred after the commencement of commercial production.

Financial analysis: The purpose of this analysis is to present some measure to assess the financial viability of the project.

Economic analysis: Social profitability analysis needs some adjustments in the data relating to the costs & return to the enterprise.

57 Discuss the classification of project.

Project classification helps in expressing & highlighting the essential features of project.

① Quantifiable & Non-quantifiable projects:

Quantifiable projects are those in which possible quantitative assessment of benefits can be made.

Non-quantifiable projects are those where such assessment is not possible.

② Sectoral projects:

- * Agriculture & allied sector.
- * Irrigation & power sector.
- * Industry & mining sector.
- * Transport & communication sector.
- * Information technology sector.
- * Miscellaneous.

③ Techno-Economic projects:

① Factor intensity-oriented classification:

Project involving large no. of human resources will be termed as "labour intensive".

② Causation-oriented classification:

On the basis of causation projects can be classified as demand based & raw material based projects.

③ Magnitude-oriented classification:

This is based on the size of investment involved in the projects, accordingly projects are classified into large scale, medium-scale or small scale projects.