

SYSTEM ANALYSIS AND DESIGN

SE103.3

1. What is meant by a feasibility study?

- A feasibility study is a systematic analysis and evaluation of the potential success or viability of a proposed project or business venture. It involves assessing various factors such as technical, economic, legal, operational, and scheduling considerations to determine whether the project is feasible or achievable.

2. What is the importance of having a feasibility study report in a project?

- The feasibility study helps identify potential risks and challenges associated with the project. By evaluating technical, financial, and operational aspects, the study can highlight areas of concern and allow project stakeholders to take necessary measures to mitigate risks.
- The study assesses the financial implications of the project, including initial investment costs, operational expenses, and potential revenue streams. It helps determine the project's financial viability, ensuring that sufficient resources are available or can be obtained to support the project's implementation.

3. Briefly discuss the four types of techniques used in the feasibility study.

- Technical Feasibility:
 - This assessment examines whether the project can be implemented from a technological standpoint. It involves evaluating the availability of necessary technology, infrastructure, and expertise to successfully execute the project. Technical feasibility assesses factors such as hardware and software requirements, compatibility with existing systems, scalability, and any potential technical obstacles or limitations.

➤ Economic Feasibility:

- This analysis focuses on the financial viability of the project. It involves estimating the costs associated with the project, including capital investments, operational expenses, maintenance costs, and potential revenue or cost savings. Economic feasibility also considers factors such as return on investment (ROI), payback period, net present value (NPV), and profitability analysis to determine whether the project is financially feasible and can generate a positive return.

➤ Legal Feasibility:

- This evaluation examines the project's compliance with applicable laws, regulations, and legal requirements. It involves assessing factors such as permits, licenses, zoning restrictions, intellectual property rights, environmental regulations, and other legal considerations. Legal feasibility ensures that the project adheres to legal frameworks and minimizes the risk of legal disputes or non-compliance issues.

➤ Operational Feasibility:

- This analysis focuses on evaluating the project's operational aspects and determining whether it can be successfully integrated into existing systems or workflows. It assesses factors such as the project's impact on current business processes, organizational structure, resource allocation, human resources, and training needs. Operational feasibility helps identify any operational challenges or constraints that may arise during implementation and suggests measures to address them effectively.