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**FIRST SEMESTER 2015-2016**

**Course Handout (Part II)**

03.08.2015

In addition to Part-I (General Handout for all courses appended to the time table) this portion gives further specific details regarding the course.

Course No. : **ECON F411/ MBA C454/MGTS C451**

Course Title: **Project Appraisal**

Instructor-in-charge: **OMVIR CHAUDHRY**

**1. Scope and Objective of the Course:**

The Course will focus on the fundamental principles needed to appraise and evaluate projects from commercial/financial and economic viewpoints and suitable techniques for achieving those.

**2. Text Book:**

Chandra, P. Projects Planning, Analysis, Selection, Fin. Implementation and Review, Tata McGraw Hill, 8<sup>th</sup> Ed., 2014.

**3. Reference Books:**

R1 Gopalkrishnan, P & Rama Moorthy V E, Project Management, Macmillan India Ltd., 1993.

R2 UNIDO, Guidelines for Project Evaluation, United Nations, New York, 1972.

R3 UNIDO, Guide to Practical Project Appraisal, United Nations, New York, 1978.

R4 Marglin, S.A., Public Investment Criteria, Unwin University Press, 1967.

R5 Dinwiddie, C. and Francis Teal, Principles of Cost-Benefit Analysis for Developing Countries, Cambridge University Press, 1996.

R6 Dasgupta, A.K. and D.W. Pearce, Cost-Benefit Analysis: Theory and Practice, Macmillan Publishers Ltd, 1978.

R7 Tevfik F. Nas, Cost Benefit Analysis, Sage Publications, New Delhi, 1996.

R8 Irvin, G., Modern Cost-Benefit Methods, The Mac-Millan Press Ltd., 1978.





### 3. Course Plan:

No.of Lec	Topic to be covered	Learning Objectives	Ref. Text Book
1	Overview	Investment analysis & appraisal of scheme for investing resources.	Ch. 1
2	Identification of Investment Opportunities	Methodologies and realistic assessment of investment opportunities	Ch. 3
2	Market and Demand Analysis	Systematic method and key steps for analyzing market and demand.	Ch. 4
1	Technical Analysis	Technological factors in project implementation.	Ch. 5
5	Financial analysis	Understanding and analysis of a project from a financial angle using financial parameters	Ch. 6
3	Project cash flows	Principles and methodology of estimation of project cash flows.	Ch. 9
3	Time value of money	Effect of time value of money upon project	Ch. 7
3	Cost of capital	Determination of optimal capital structures for maximization of value of firm.	Ch. 10
5	Appraisal criteria	Judging projects on the basis of payback, NPV, IRR and multiple criteria.	Ch. 8
4	Analysis of Risk	Various methods of estimating risk for optimal capital expenditure decision.	Ch. 11
9	Social cost benefit analysis	SCBA – UNIDO, LM approach	Ch. 14
2	Project Management	Establishing & operating organization suitable for project management.	Class notes





**4. Evaluation Schedule:**

Component	Duration	Weightage	Date & Time	Remarks
Mid-Sem Test	90 min.	35	8/10 10:00 - 11:30 AM	CB
Surprise Quiz or Project	50 min.	20	To be decided by IC Submission before Quiz	CB
Compre. Exam.	3 hours	45	8/12 AN	Partly OB

**5. Chamber consultation hour:** Wed 12:00 – 1:10 PM.

**6. Notices:** All notices regarding the course shall be put on the Economics and Finance Notice Board.

**7. Make-up Policy:** Make-up may be given only on genuine grounds, if prior permission is obtained specifically on production of documentary evidence of

- (i) Sickness
- (ii) Being out of station owing to unavoidable circumstances  
(Verified by Warden in writing).

**Instructor-in-charge**  
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