



NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS
SCHOOL OF MANAGEMENT SCIENCES
MARCH/APRIL 2015 EXAMINATION

COURSE CODE: MGS756. CREDIT UNIT: 2.
COURSE TITLE: PROJECT ANALYSIS AND IMPLEMENTATION
TIME ALLOWED: 2 HOURS.

Instructions: 1. Attempt Question 1 and any other two (2) Questions.
2. Question 1 is compulsory and carries 30 marks
while the other 2 Questions carry 20 marks each.
3. Present all your points in coherent and orderly manner.

QUESTION 1 (Compulsory) Question 1

- a) Distinguish between the terms project and programme.
 - b) How would you explain the confusion in the terms programme and project in practice?
 - c) Discuss three sources of new project ideas.
 - d) List the four factors that are likely to influence the location of industrial projects in your present environment.
 - e) What is the role of human resource in project management?
 - f) What are the major difficulties in forecasting future demand in Nigeria?
- (30 Marks)

QUESTION 2:

- a) Discuss the key segments of project evaluation. List and explain five items that you hope to find in the checklist of the management segment of a project evaluation. (10 Marks)
- b) A project costs N100,000 and has a scrap value of N40,000. The stream of income before depreciation and taxes are N40000, N50000, and N60000 for the first three years. The tax rate is 50% and depreciation is on straight line basis.
 - i. Calculate the accounting rate of return for the project.
 - ii. State the decision making criterion.
 - iii. What are the weaknesses of the method?

QUESTION 3

- a) What do you understand by the term “customer”? How would you explain the confusion that sometimes arises as to who a customer is. (10 Marks)
- b) A project cost N500000. It generates cash inflows of N150000, N300000 and N400000 over a three year period. The required rate of return is 10%.
 - (i) Calculate the net present value of the project
 - (ii) What are the merits and demerits of this method?

QUESTION 4

- a) What do you understand by the term “demand”. Distinguish between total market demand and project demand. (10 Marks)
- b) A barbers’ shop costs N32,400 to establish and is expected to generate cash inflows of N16000, N14000 and N12000 over its life of three years.
 - (i) Calculate the internal rate of return.
 - (ii) State the decision making criteria
 - (iii) What are the weaknesses of the method?

QUESTION 5

Discuss briefly the following concepts in project management:

- a) The steps of the demand forecasting process.
 - b) The factors affecting demand.
 - c) Demand analysis
 - d) Manpower planning and evaluation.
- (20 Marks)

