



National Open University of Nigeria
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi- Abuja

Faculty of Social Sciences
Department of Economics

October/November Examination 2016

Course Code: ECO 329

Course Title: PROJECT EVALUATION

Credit unit: 2

Time Allowed: 2 hours

**Instruction: Answer three questions in all. QUESTION FIVE IS
COMPULSORY.**

Question:

1. There are certain elements that make a project a project.' Explain these elements **(20 marks)**
2. How are projects different from programmes? **(20 marks)**
3. Explain what project cycle is all about **(20 marks)**
4. In carrying-out market analysis, some dimensions assist in understanding the market better, what are these dimensions? **(20 marks)**
5. i) Explain all you understand by Net Present Value (NPV) as a criterion for evaluating projects.
ii) If four projects A, B, C and D have various cost outlay of ₦36,000, ₦24,000, ₦20,000 and ₦15,000, with corresponding annual returns of ₦6,000, ₦8,000, ₦5,000 and ₦3,000 respectively. Calculate the pay-back-periods, and also, ascertain the prefer project **(30 marks, COMPULSORY)**