



NATIONAL OPEN UNIVERSITY OF NIGERIA
91, CADASTRAL ZONE, NNAMDI AZIKWE EXPRESS WAY, JABI – ABUJA
FACULTY OF MANAGEMENT SCIENCES
JANUARY 2018 EXAMINATION QUESTIONS

COURSE CODE: MBA851

CREDIT UNIT: 3

COURSE TITLE: PROJECT EVALUATION

TIME ALLOWED: 2^{1/2} HOURS

INSTRUCTIONS:

- 1. Attempt question number one (1) and any other three (3) questions.**
- 2. Question number 1 carries 25 marks, while the other questions carry 15 marks each.**
- 3. Present all your points in coherent and orderly manner.**

QUESTION 1

- a) Explain project cycle. Using suitable illustrations, discuss the various stages involved in a new product development. (10marks)**
- b) Discuss the format for conducting and evaluating a project. Outline three (3) important information to a project evaluator in a manufacturing plant (10marks)**
- c) Explain production plans for a start-up project. (5marks)**

QUESTION 2

- a) Explain capacity and production planning in project design and evaluation? (7marks)**
- b) Distinguish between the traditional project evaluation method and the discounted cash flow (DCF) criteria. (8marks)**

QUESTION 3

- a) Distinguish between direct and indirect labour in manpower planning and evaluation. Why is a manpower plan important in a start-up project? (8marks)**
- b) Explain the five (5) basic forces that govern competition in the market. (7marks)**

QUESTION 4

- a) Discuss the importance of population when building demand analysis for products. (5marks)**
- b) Use population to explain how a manufacturer will analyze demand for: (i) lipsticks (ii) baby toys (iii) social media (iv) Holy Bible/Quran (v) Creech facilities (10 marks)**

QUESTION 5

- a) Explain the demand/supply gap in project analysis. What factors are used by investors to evaluate the level of supply of goods and services in the market? (7 Marks)**

- b) Distinguish financial analysis and economic analysis of a project? What are the major considerations in economic analysis **(8 Marks)**

QUESTION 6

- a) Define project cost. Explain ten (10) items that should appear in the project cost analysis of a start-up business of your choice. **(8 Marks)**
- b) Distinguish between projected income statement and projected cash flow. Why are banks interested in projected cash flow statement of projects? **(7 Marks)**