



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
SEPTEMBER, 2020_1**

**COURSE TITLE: PROJECT EVALUATION `OURSE CODE: ECO 329
UNITS: 3
TIME ALLOWED: 3HOURS**

**INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER 3 QUESTIONS
QUESTION ONE**

- (a) Discuss the characteristics of a project
- (b) Compare an economic analysis with a financial analysis (25 marks)

QUESTION TWO

- (a) What are the most common factors of market analysis?
- (b) Differentiate between objective and subjective risks (15 marks)

QUESTION THREE

- (a) The organization's 'stakeholders' are people or organization which could be affected by a risk incident occurring in the organization itself. Identify any three of such stakeholders and how they are affected by risks occurring in the organization.
- (b) What are the basic five questions the marketing plan should answer? (15marks)

QUESTION FOUR

- (a) While discussing the importance of projected cash flow statement, identify the groups of people that are likely to be interested in the projected cash flow statement and why?
- (b) Discuss the basic principles of Cost Benefit Analysis (15 marks)

QUESTION FIVE

- (a) Discuss any 4 methods of market analysis highlighting their advantages and disadvantages
- (b) Discuss two advantages and two disadvantages of net present value method of project evaluation criteria (15 marks)

QUESTION SIX

- (a) discuss the broad classes of capacity planning
- (b) using tangible illustrations, distinguish between forward linkage and backward linkage effects of a project (15 marks)