



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**91, CADASTRAL ZONE, UNIVERSITY VILLAGE, JABI, ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**2022\_2 EXAMINATION**  
**EXAMINATION QUESTIONS**

**COURSE CODE: ENT 707**

**CREDIT UNIT: 2**

**COURSE TITLE: PROJECT FINANCE AND BUDGETING**

**TIME ALLOWED: 3 HOURS**

**INSTRUCTIONS:**

- 1. Indicate your Matriculation Number clearly**
- 2. Attempt Question one (1) & any other Two (2) Questions**
- 3. Question (1) is compulsory and attracts 30marks, while the any other two Questions attract 20 Marks each with Total of 70 Marks**
- 4. Present all your points in coherent and orderly Manner**

**QUESTION 1: A.** Break-even analysis is a technique widely used by production management and management accountants. Describe the effective ways to lower break even. *[10 Marks]*

**B.** Properly preparing your cash budget will show how cash flows in and out of your business. What are the purposes of Cash Budgeting *[10 Marks]*

**C.** What are the factors That Determine the Volume of Working Capital of a Business. *[10 Marks]*

**QUESTION 2:** There are four principal methods of estimating cost in project finance and budgeting. Highlight these principal methods and explain them briefly. *[20 Marks]*

**QUESTION 3:** According to Jhinghan (2001), over the past fifty years, development economics has undergone many changes. The emphasis has shifted from growth in GNP per capita to the creation of employment, to redistribution of income, to basic human needs, to structural adjustment and sustainable development. **Discuss the Measures of Economic Development.** *[20 Marks]*

**QUESTION 4: A.** **Cash flow** is an accounting term that refers to the amounts of cash being received and spent by a business during a defined period of time, sometimes tied to a specific project. Describe Measurement of cash flow that can be used in project finance and management. *[10 Marks]*

**B.** Classifications of cash flow are very necessary to reconcile the beginning cash balance to the ending cash balance Explain how Cash flows can be classified. *[10 Marks]*

**QUESTION 5:** According to Odufalu, (2000), there are identified obstacles to good project development in Nigeria. **Highlight and discuss these Obstacles to Good Project Development in Nigeria** *[20 Marks]*