



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2023 1 POP EXAMINATION

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

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

QUESTION ONE

- (a) Discuss the factors affecting location of projects
(b) What are the challenges of Cost-Benefit Analysis?

(14 marks) 22
(5 marks)

QUESTION TWO

- (a) Discuss extensively the concept of production planning
(b) List 3 commonest departments that could be found in a big manufacturing firm and the functions each of them performs
(9 marks)

(8 marks)

QUESTION THREE

- (a) Discuss four basic profit ratios
(b) Two advantages and two disadvantages of payback period in project evaluation (4 marks)

sales *operating costs* *shareholders*
Assets *Equity*

(13 marks)

QUESTION FOUR

With the aid of diagram, discuss the 5 basic forces that the nature of competition depends on (17 marks)

QUESTION FIVE

- Explain the three basic structure/components of a projected income statement (12 marks)
(b) How can government remedy market failure? (5 marks)

QUESTION SIX

- Discuss the sequences of a project cycle
(b) Discuss the different attitudes to risk

16

(10 marks)

(7 marks)