



NATIONAL OPEN UNIVERSITY OF NIGERIA
UNIVERSITY VILLAGE, JABI-ABUJA
FACULTY OF MANAGEMENT SCIENCES
2020_1 EXAMINATION

COURSE CODE: BFN409

CREDIT UNIT: 3

COURSE TITLE: PROJECT EVALUATION

TIME ALLOWED: 2 ½ 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 your work in coherent and orderly manner.

QUESTION 1 (COMPULSORY)

- (a) Distinguish between “Project Evaluation” and “Project Selection.” **5 marks**
 (b) Identify their major characteristics. **20 marks**

QUESTION 2

There are varied bottom-up techniques that can be used for project identification. Identify and discuss any five (5) of them. **15 marks**

QUESTION 3

Project cost refers to all those costs involved in the process of setting up a project. Identify and explain any five (5) items of such cost. **15 marks**

QUESTION 4

A project with N72, 000 investment outlay has the following projected stream of incomes from operations:

Year	Earnings before Tax (N)	Cashflow (N)
1	33,000	45,000
2	10,000	22,000
3	8,000	20,000
4	1,000	13,000
5	1,000	13,000
6	1,000	13,000

Calculate the expected payback period for the project.

(15 marks)

QUESTION 5

- a) Explain briefly the term Evaluation.
- b) Discuss six (6) basic purposes of evaluation.

3 marks

12 marks

QUESTION 6

There are many margin ratios that can be used to measure the profitability of a project. Categorize and explain any five (5) of such margin ratios. **15 marks**