



**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<sup>1/2</sup> 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)**