



“Investing in Africa’s future”

COLLEGE OF HEALTH, AGRICULTURE AND NATURAL SCIENCES

NAEC 408: PROJECT APPRAISAL AND EVALUATION

END OF FIRST SEMESTER FINAL EXAMINATIONS

NOVEMBER 2023

LECTURER: PROF. J. MADZIMURE

DURATION: 3 HOURS

INSTRUCTIONS

Answer All Questions from Section A

And Answer Three Questions from Section B

This paper has 3 printed pages

You are allowed a scientific calculator

Section A (Answer all questions, possible marks 40)

Question 1

- a) State the five basic forces that govern competition in industry. [5]
- b) List the key items in technical analysis of projects. [5]
- c) Explain why the analysis of a population data is important when building demand analysis. [5]
- d) Distinguish between financial appraisal and economic appraisal of a project. [5]
- e) Highlight the challenges associated quantifying and valuing social costs and benefits. [5]
- f) Suppose we have three commercial projects at Africa University Dream Farm involving discounted cash outflows of \$550 000, \$75 000 and \$10 020 000 respectively. Suppose further that the sum of discounted cash inflows for these projects are \$650 000, \$95 000, and \$10 030 000 respectively.

Calculate the desirability factors (profitability index ratio) for the three projects and recommend the best one. [10]
- g) Explain why banks are interested in projected cash flow statement of a project? [5]

Section B (Answer any three (3) questions, possible marks 60)

Question 2

Describe how you would carry out the social cost benefit analysis for the establishment of a community irrigated garden in any country of your choice. [20]

Question 3

Discuss the five steps of a project cycle? [20]

Question 4

Describe the gender analysis matrix (GAM) and how it can be used during project appraisal and evaluation. [20]

Question 5

a) Justify the need to carry out an environmental impact assessment (EIA) during the establishment of a government funded cattle pen-fattening project in a rural community. [10]

b) Discuss the importance of artificial intelligence (AI) in project appraisal and evaluation. [10]