



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A

MAIN EXAMINATION

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JANUARY – APRIL 2018 TRIMESTER

FACULTY OF ARTS AND SOCIAL SCIENCES

DEPARTMENT OF DEVELOPMENT STUDIES

REGULAR PROGRAMME

MPM 507: PROJECT APPRAISAL TECHNIQUES

Date: APRIL 2018

Duration: 3 Hours

INSTRUCTIONS: Answer ANY FOUR Questions

- Q1. Assume that you are a project director in an international organization that intends to start two similar projects in Kenya and in Congo.
It costs Ksh 4 million to start the Kenyan project which has scarp value of 55,000 and cash proceeds of Shs 56,000, shs 59,000 Shs 69,000, shs 101,000, Shs 120,000 and shs 140,000 for 6 years.
Its costs Ksh 3.5 million to start the Congolese project which has scrap value of Kshs 45,000 and cash proceeds of Ksh 44,000, Shs 47,000, shs 59,000, Shs 92,000, shs 141,000 and shs 110,000.
Using 11% discount rate, calculate the Net Present value (NPV) for both Projects. Which of the two projects should be implemented? Give your reasons for your answer. **(15marks)**
- Q2. Define the following Terms
- i) Project Evaluation. **(3 marks)**
 - ii) Budgeting Process. **(3 marks)**
 - iii) Project Appraisal and show relevant examples. **(3 marks)**
 - iv) Differentiate between a Project and an Activity. **(3marks)**
 - v) Explain cost benefit analysis Process. **(3 marks)**
- Q3. With relevant examples, explain any Project Risk Management. **(15Marks)**
- Q4. a) Explain the meaning of project cycle and show relevant activities for all Phases. **(10Marks)**

- b) With relevant examples, Discuss characteristics of a project **(5Marks)**
- Q5. Give a detailed explanation showing how you would conduct each of the following appraisal techniques.
- i) Discounted rate of return **(10Marks)**
 - ii) Technological Feasibility **(5 Marks)**
- Q6. Discuss any five major facets of technical appraisal **(15Marks)**

END