



ELIZADE UNIVERSITY, ILARA-MOKIN, ONDO STATE

FACULTY: SOCIAL & MANAGEMENT SCIENCES
DEPARTMENT: ACCOUNTING & FINANCE.
SECOND SEMESTER EXAMINATION 2018/2019 ACADEMIC
SESSION
COURSE CODE: BFN 408
COURSE TITLE: PROJECT EVALUATION
DURATION: 2 HOURS.

INSTRUCTION: Attempt any **FOUR** questions.

1. (a) Discuss causes of Project failure in most organisations **5 marks**
 (b) Describe Project Management process **5 marks**
 (c) Distinguish a project from operation **5 marks**
(Total 15 Marks)

2. (a) Describe Stakeholders of project **8 marks**
 (b) Discuss project scope and features **7 marks**
(Total 15 Marks)

3. (a) Assets Replacement Decision is very important in Project Evaluation. You are required to explain Assets Replacement Decision highlighting reasons and factors associated with this vital decision in Project Evaluation **5 marks**
 (b) KAJOLA Plc has just acquired a new item of equipment which may be sold at the end of any year at the following prices with annual running cost.

Year	1	2	3	4	5
Resale Value	225	148.5	90	67.5	27
Annual Running Cost	45	54	67.5	90	135

You are required to determine how often a new equipment with identical characteristics be bought if average cost of replacement is to be minimised. **10 marks**

(Total 15 Marks)

3. (a) Assets Replacement Decision is very important in Project Evaluation. You are required to explain Assets Replacement Decision highlighting reasons and factors associated with this vital decision in Project Evaluation **5 marks**
4. HIKMAT and Company Ltd is planning to borrow money from a development bank to finance a project with initial outlay of #550m and expected cash - of #185m, #207m #170m #160m and #108m for consecutive five years respectively. The Banker has offered the company an interest of 17.5% on the loan. The industry cost of capital is given as 15%. You

Year	1	2	3	4	5
Resale Value	185	207	170	160	108
Annual Running Cost	54	67.5	90	135	

are required to advise the company whether to accept the loan at financing the project
15 marks.

5. Project evaluation has been observed to be central to the project manager. You are required to explain project evaluation and highlight various uncertainties that are encountered in project management
15 marks

6. (a) Explain Project Evaluation and Review Technique (PERT) and outline its advantages and areas of application
9 marks

(b) The PERT approach takes into account the uncertainties. The three time values are associated with each activity . You are required to describe the three-time values
6 marks

(Total 15 Marks)

15 marks.

Project evaluation has been observed to be central to the project manager. You are required to explain project evaluation and highlight various uncertainties that are encountered in project management.
15 marks

6. (a) Explain Project Evaluation and Review Technique (PERT) and outline its advantages and areas of application.
9 marks

(b) The PERT approach takes into account the uncertainties. The three time values are associated with each activity . You are required to describe the three-time values
6 marks

(Total 15 Marks)