



LEAD CITY UNIVERSITY
Faculty of Social and Management Sciences
Department of Economics

COURSE PARTICULARS

Course Code: ECO 315
Course Title: Project Evaluation
Number of Units: 2
Status: Compulsory

LECTURER DETAIL

Name: Dr. O. O. Ogunjimi
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Area of Specialization: Production, Resource Economics

COURSE DESCRIPTION:

Definition and classification of projects and projects evaluation: The project and the overall view/data requirements; Location and size of projects: Calculation investments required for a project; Appraisal of projects from commercial and social view points. Cash flow analysis.

COURSE OBJECTIVE:

The broad objectives of this course is to provide the mechanics of projects analysis and the piratical application of the basic tools to the financial. Economic and social analysis of projects.

ASSESSMENT

Continuous Assessment – 30%

Examination – 70%

Total Score – 100%

TEACHING PLAN

Week 1-2:	Project Topic Assessment <ul style="list-style-type: none">- Investment Criterion- The Adjustment Approach- Limitation of Adjustment Approach- Shadow prices (application)- Tutorials
Week 3:	Project Accounting <ul style="list-style-type: none">- Funds flow statement- Cash flow- Cash management- Tutorials
Week 4:	Project cost Analysis <ul style="list-style-type: none">- Concept of cost- Indicator of cost analysis- Estimating cost of project- Tutorials
Week 5:	Project Financing <ul style="list-style-type: none">- Source of finance- Financial structure- Tutorials
Week 6-7:	Project Benefits Estimation <ul style="list-style-type: none">- Types of project benefit- Procedures for estimating benefit- Tutorials
Week 8	Measuring Profitability <ul style="list-style-type: none">- Data presentation- Project Appraisal- Tutorials
Week 9-10:	Project Classification and Project success

	<ul style="list-style-type: none"> - Concept of project classification - Methods of avoiding errors in evaluation - Assessment of success factor - Financial aspect of project success - Tutorials
Week 11:	Ration Analysis <ul style="list-style-type: none"> - Concept of ration analysis - Computation or ration analysis - Tutorials
Week 12:	Feasibility studies <ul style="list-style-type: none"> - Components of feasibilities studies - Preparing feasibility studies - Tutorials
Week 13-14	Data base for forecasting <ul style="list-style-type: none"> - Concept of forecasting - Steps in statistical forecasting - Acquiring information for forecasting - Forecasting models - Tutorials
Week 15	Revision and Examination

READING LISTS

Odufalu O. and Loto M.A. (2008), 'Project Analysis and Evaluation: Principles and Techniques', Third Edition, Concept publication Limited, Lagos.

George, E.O. (2000), 'Basic Techniques in Project Analysis' CESAP, Ago-Iwoye

TUTORIAL QUESTION

1. a) Describe briefly the phases that a project typically passes through in any life-cycle.
b) Of what use is shadow pricing in the appraisal of project?
2. a) What do you perceive to be the problems in appraising an existing enterprise? (b) How can these problems be eliminated or ameliorated in practice? (c) What are the significances of profitability and liquidity ratios in project evaluation?
3. a) Describe briefly the use and measurement of the concept "Time value of money" in project analysis. (b) Explain some of the problems that would arise if the feasibility appraisal of a new project was not properly conducted.
4. (a) List and explain five obstacles to good project development in Nigeria. (b) What are the objectives of project analysis? (c) Distinguish between project and research.
5. Project financing deals with the choice of methods of financing and sources of funds, (i) Discuss this in details, (ii) Four techniques have been developed for coping with the problem of measuring efficiency benefits, because of the complexity of the various projects. Discuss briefly these techniques.
6. Suppose a plastic manufacturing firm has to supply an order for 600 pieces of plastic wardrobes of 2 varieties, x and y to a customer. The joint cost function for the two varieties of carpets is given as: $C = 200x^2 + 120y^2$. The firm is to find the combination of x and y that minimizes the cost of production subject to the constraint $x + y = 600$. Hence determine the minimum cost of production
7. Distinguish between the following pairs: (i) Project and Programme (ii) Project appraisal and project evaluation (iii) Project monitoring and project follow-up (iv) Project analysis and project cycle
8. (a) Why are shadow prices necessary in the economic and social analysis of projects? How can they be determine? (b) What are the major criticisms of shadow prices? Are they justified?
9. Write briefly on the following: (i) Profitability and Liquidity ratios (ii) Financial statement and financial ration (iii) Financial plan

10. (i) Write short notes on how any existing project could be evaluated (ii) Highlight the different methods of assessing any new project.
11. (i) Highlight components of feasibility studies (ii) Prepare a feasibility report on any particular enterprise of your choice.
12. a) Describe briefly the use of measurement of the concept “time, value of money” in project analysis, b) Explain some of the problems that would arise if the feasibility appraisal of a new project was not properly conducted.

