



(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR
SUPPLEMENTARY EXAMINATION
BACHELOR OF EDUCATION

COURSE CODE: IRD 400

COURSE TITLE: PROJECT APPRAISAL

DATE: 17TH JANUARY, 2022 TIME: 2.00PM – 4.00PM

INSTRUCTIONS TO CANDIDATES

1. Answer a total of **three** questions; question **one** and any other **two** questions.
2. Question **one** carries **30 marks** and each of the other two questions carry **20** marks each.

KIBU observes ZERO tolerance to examination cheating

This Paper Consists of 3 Printed Pages. Please Turn Over.

QUESTION ONE

- a. Distinguish between the following:
- (i) Cost benefit analysis and benefit cost analysis (2 Marks)
 - (ii) Scenario analysis and sensitivity analysis (2 Marks)
 - (iii) Business risk and project risk (2 Marks)
 - (iv) Risk and Uncertainty (2 Marks)
 - (v) Financial and economic appraisal (2 Marks)
- b. Discuss the advantages and disadvantages of Project Sensitivity Analysis: (10 Marks)
- c. Discuss and analyze the importance of environmental appraisal. (10 Marks)

QUESTION TWO

- a. The Net Present Value is undoubtedly the most reliable discounted cash flow technique in investment appraisal. Discuss the advantages and disadvantages of Net Present Value. (10 Marks)
- b. As a project expert discuss ways and principles that you can devise to greatly increase your chances for project success. (10 Marks)

QUESTION THREE

You have been appointed as a project consultant by Maximas Company and one of your terms of reference is to ensure successful project implementation. Discuss five factors that you will advice management to consider in order to implement the project successfully with minimal risks. (20 marks)

QUESTION FOUR

- a) Time preference of money or time value of money is an individual's preference for possession of a given amount of money now rather than the same amount in future. Discuss reasons for this behavior. (8 marks)
- b) Distinguish between:
- i) Compounding and discounting as far as time value of money is concerned. (4 marks)
 - ii) Annuity and sinking fund (4 Marks)
 - iii) Risk free rate and risk premium rate. (4 marks)

QUESTION FIVE

- a. Discuss five best practices Methods one can use to implement projects globally.
(20 Marks)