

EASTERN UNIVERSITY, SRI LANKA

FINAL YEAR 1<sup>ST</sup> SEMESTER EXAMINATION IN AGRICULTURE-2018 (2015/2016)

EC 4101: PROJECT PLANNING AND INVESTMENT ANALYSIS

Time: 01 hour

Answer ALL questions.

1. a) Using an example, list the major components of a Project. (10 Marks)
- b) Briefly explain the followings;
- i) **Benefits and Costs** of a Project,
  - ii) Net Present Value (NPV) and use in project selection
  - iii) Internal Rate of Return (IRR)
  - iv) Pay Back Period (20 Marks)
- c) Why do the government and private companies invest in projects? (10 Marks)
- d) Explain why an investment appraisal is done on potential projects. (10 Marks)
2. a) Illustrate the **PROJECT CYCLE** with a clearly labeled diagram. (10 Marks)
- b) "Project Evaluation is a process to assess the Project's success or failure on final completion". Comment on the above statement. (10 Marks)
- c) What does "Project Risk Management" mean in project planning? (10 Marks)
- d) Write **SHORT NOTES** on the followings:
- i) Work Breakdown Structure (WBS)
  - ii) Project Evaluation & Review Technique (PERT)
  - iii) Milestones
  - iv) Deliverables (20 Marks)

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