

ELECTIVE COURSE III – PROJECT APPRAISAL

Module I: Introduction

Capital expenditure – importance and difficulties – objectives, resource allocation – Criteria – Investment strategic– Generation and screening of investment ideas.

Module II: Project Analysis

Market and demand analysis – Technical analysis – Financial analysis – Economic viability – Technical feasibility – Social acceptability.

Module III: Selection of Project

Project cash flows – Appraisal criteria – Pay back period – Rate of Return – Discount cash flow methods – NPV, IRR – Calculation of IRR for two years and more – Risk analysis – Types and measures of risk – Sensitivity analysis – Scenario analysis – Decision tree analysis – Uncertainty – Stochastic dominance

Module IV: Special Decision Situations

Choice between mutually exclusive projects of unequal life – Optional timing – determination of economic life – Interrelationship between investment and financing aspects – Price index numbers and capital budgeting comparison of time series data – Deflating.

Module V: Implementation

Project organization – Project planning – Project control – Pre-requisites for successful project implementation – Network techniques – Development of Project net work – Time estimation – Scheduling – PERT –CPM – Network cost system – Project evaluation – Accounting, Economic and Social costs and benefits – Abandonment analysis – Administrative aspects in capital budgeting.

Reference:

1. www.wikipedia.com. and www.google.com.
2. Prasanna Chandra, Projects; Planning, Analysis, Selection, Implementation and Review, Tata McGraw Hill.
3. Clark J.C. et al., Capital Budgeting: Planning and Control of Capital Expenditure, Prentice Hall.
4. Little I M D and S A Mirlees, Project Appraisal and Planning for Developing Countries, Heimann, London
5. Marghin E. and A.K. Sen, Guideline for Project Evaluation, UNIDO, New York
6. Bhavesh M Patel, Project Management, Vikas Publishing House New Delhi