



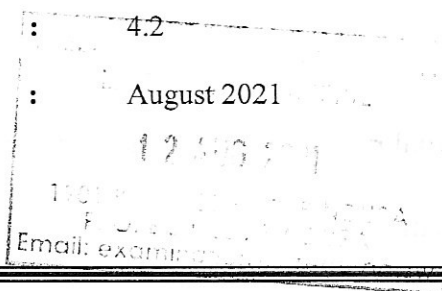
ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT

EXAMINATION PAPER

COURSE CODE : CEN 405
COURSE TITLE : Project growth feasibility
SPECIAL REQUIREMENTS : None
DURATION : 3 Hours
LEVEL : 4.2
DATE : August 2021



INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. **Section A is compulsory**
3. **You are required to answer any Three Questions in Section B**
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []

Section A

Question One

Tawana Ltd is considering two investment alternatives. Each alternative requires a capital outlay of \$18 000. You are given that these investment alternatives have the following cash inflows.

	Project A	Project B
Year	Cash Flows \$	Cash Flows \$
1	7 500	5 000
2	6 000	5 000
3	5 500	5 000
4	4 000	5 000
5	3 500	5 000

Required

- Calculate the internal rate of return for each investment alternative. (12 marks)
- State which alternative would you recommend for investment and why? (3 Marks)
- Highlight the advantages of the Internal Rate of Return technique of project appraisal. (6 Marks)
- Highlight the disadvantages of the Internal Rate of Return technique. (4 Marks)

Section B

Answer any three questions

Question Two

Describe the measures you would put in place to ensure effective resource allocation across the project. **[25 marks]**

Question Three

Illustrate the value of the following techniques in project management:

- a. Cost benefit analysis **[7 Marks]**
- b. Cost break even analysis **[6 Marks]**
- c. Sensitivity analysis **[6 Marks]**
- d. Risk analysis **[6 Marks]**

Question Four

Describe the basic managerial roles of a project manager. **[25 marks]**

Question Five

Using a project example of your choice, highlight any 5 major causes of project failure. **[25 marks]**

Question Six

Using a practical example, demonstrate how you can decompose a project in order to make it clear and feasible to the participants. **[25 marks]**