

Course No: MAN 3308  
Course Title: Analysis  
&Evaluation Project  
Date: 19 / 05/ 2013  
No. of Questions: 4  
Time: 120 Minutes  
Using Calculator (Yes)

University of Palestine



Final examination  
2<sup>SD</sup> 2012/2013  
Total Grade: 60

Instructor Name: Shefa El Sagga  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: \_\_\_\_\_  
Dep. / Specialist: \_\_\_\_\_  
Using Dictionary, Mobile (No)

### Answer all questions

First Question	No. of Branches (1)	(10/60)
<b>Q1: B1</b>		<b>(10/10)</b>
<b>First Q: Define &amp;give the terms to each Concept:</b>		
1. <b>Business Feasibility Study</b>		
<ul style="list-style-type: none"> <li>_____</li> <li>_____</li> <li>_____</li> <li>_____</li> </ul>		
2. _____		
<ul style="list-style-type: none"> <li>Financial report summarizes the items as income, expenditure, and the difference between them, either profit, or loss during the year.</li> </ul>		
3. _____		
<ul style="list-style-type: none"> <li>A short list of the financial information for the organization at a given moment is often the last day of year imagery at a certain moment.</li> </ul>		
4. _____		
<ul style="list-style-type: none"> <li>That effect on the amount of expected revenues from company, Or industry, Or sector, and do not effect on the overall market</li> </ul>		
5. _____		
<ul style="list-style-type: none"> <li>Which varies with the change in the total number of produced units, or sales volume, but variable cost of a single unit remains constant, and does not change.</li> </ul>		
6. _____		
<ul style="list-style-type: none"> <li>Using the others fund with fixed costs to meet the organization obligations, or company money..</li> </ul>		
7. _____		
<ul style="list-style-type: none"> <li>How much monetary union invested achieves of net revenue and on this basis the comparison between projects, where selection the project that achieves the highest returns on the invested monetary unit.</li> </ul>		
8. _____		
<ul style="list-style-type: none"> <li>Which at it the initial investment proposal cost is equal with the present value of expected cash flows generated.</li> </ul>		

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9. \_\_\_\_\_  
▪ Usually called Benefits-cost Ratio, or in other words, future cash flows present value for each invested dollar in the investment proposal.

10. \_\_\_\_\_  
▪ The degree or level of achieves the objectives, and more specifically, means it's the percentage of achieved the objectives from planned target.

Second Question	No. of Branches (2)	(10/60)
<b>Q2 B1</b>		<b>(10/10)</b>

**Second Q: Remember & answer ten questions only**

**1. The importance factors of differentiation between the projects**

1. \_\_\_\_\_ 2. \_\_\_\_\_

**2. The projects importance for the national economy**

1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_ 4. \_\_\_\_\_

**3. The main guidelines for the selecting Location elements**

1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_ 4. \_\_\_\_\_  
5. \_\_\_\_\_ 6. \_\_\_\_\_

**4. The basic financial lists necessary to analyze the existing projects**

1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_

**5. Three methods to find future value**

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

**6. Important metrics used to calculate the break-even point**

1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_

**7. The components & elements of profit, and loss account**

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

**8. The Differentiation Methods between investment projects?**

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

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**9. The important ratios used to measure the effectiveness**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

**10. The most important methods use to differentiation between investments in uncertainty?**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_

**11. The most important ratios used activity ratios?**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Third Question	No. of Branches (1)	(25/25)
<u>Q3B1</u>		<u>(05/05)</u>
<u>Q3 B2</u>		<u>(05/05)</u>
<u>Q3 B3</u>		<u>(05/05)</u>
<u>Q3 B4</u>		<u>(05/05)</u>
<u>Q3 B5</u>		<u>(05/05)</u>
<u>Q3 B6</u>		<u>(05/05)</u>

**Third Q: Answer Five Questions only**

**1. Why differentiation between investment projects?**

▪ Differentiation between investment projects **because its:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**2. How can be reduced the Unsystematic risks, Systematic Risk?**

**Unsystematic risks reduced by:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**Systematic risks:**

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

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### 3. Differentiate between Equivalent Variation & Coefficient Variation?

■ \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### Coefficient Variation.

■ \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### 4. What are the three different concepts of revenues?

1. \_\_\_\_\_
2. \_\_\_\_\_
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
3. \_\_\_\_\_
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_

### 5. What are the technical aspects of engineering and information provided?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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## 6. Define Risk concept in certainty &uncertainty conditions?

### Risk concept in uncertainty conditions

- \_\_\_\_\_

### Risk measuring under uncertainty

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_

### Risk concept in certainty conditions

- \_\_\_\_\_

### Risk measuring under certainty

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_

Fourth Question	No. of Branches (1)	(15/15)
<u>Q4 B1</u>		<u>(03/03)</u>
<u>Q4 B2</u>		<u>(03/03)</u>
<u>Q4 B3</u>		<u>(03/03)</u>
<u>Q4 B4</u>		<u>(03/03)</u>
<u>Q4 B5</u>		<u>(03/03)</u>
<u>Q4 B5</u>		<u>(03/03)</u>
<u>Q4 B6</u>		<u>(03/03)</u>

### Fourth Q: Answer five exercises

1. One investors bought ordinary shares on a contribution company, the per share price = 10\$, during the holding-period of this share, the company distributed profits rate 10%, the investor then sell the share at 15\$, the shares nominal value are 6\$. Require: Calculate current Earnings of holding-period return?

Solution:

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2. Require find the average collection period of a project during 1995, if you know the following: Receivables 8000\$. Securities received 4000\$. The value of sales 60.000\$, 50% of sales not paid?

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**Solution:**

3. Net returns after tax in two projects as the following, arithmetic medians over five years for projects (1) = 45\$ thousand, project (2) = 35\$ thousand, Standard deviation projects (1) = 19.5, standard deviation project (2) = 16.5.

Require: Calculate

- Coefficient Variation
- And differentiate between them?

**Solution**

- Coefficient Variation = \_\_\_\_\_  
Coefficient Variation project (1) = \_\_\_\_\_  
Coefficient Variation project (2) = \_\_\_\_\_

b. Explanation:

- \_\_\_\_\_
- \_\_\_\_\_

4. A firm purchased a new machine 5000\$, has been estimated useful life 5years, the net cash flows expected for this machine regularly throughout the life cycle 1500\$. Present value of cash flow 60000\$, Initial investment cost 48000\$. Require:

- Average return rate on investment? Explain?
- Calculate the net present value? Explain?
- Profitability account? Explain?

**Solution:**

- Average ROI = \_\_\_\_\_  
= \_\_\_\_\_

- The investment acceptable or not acceptable, because \_\_\_\_\_

- Net present value = \_\_\_\_\_  
Net present value = \_\_\_\_\_

- The investment acceptable or not acceptable, because \_\_\_\_\_

- Profitability account = \_\_\_\_\_  
= \_\_\_\_\_

- The investment acceptable or not acceptable, because \_\_\_\_\_

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5. The following decision matrix, which refers the costs for the alternatives range (1, 2, 3, 4); under the 4 nature cases (a, b, c, d). Require:  
Select the best alternative method using the decision tree.

Probability	20%	20%	30%	30%
Natural Cases				
Alternatives	A	B	C	D
1	5	7	8	6
2	9	4	10	5
3	7	9	6	3
4	10	8	6	4

**Solution:**

Project costs (1) = \_\_\_\_\_

Project costs (2) = \_\_\_\_\_

Project costs (3) = \_\_\_\_\_

Project costs (4) = \_\_\_\_\_

▪ The alternative ( ) is the best because \_\_\_\_\_

6. One company is looking to buy a machine, the machine default life in both cases 4 years, and the scrap value for the two proposals are **1500\$**,

Year	F. proposal / initial cost = <b>28000\$</b>		S. proposal /initial cost = <b>30000\$</b>	
	Average net profit after tax	F.C	Average net profit after tax	F.C
1	3000	8000	2000	7000
2	3000	8000	2500	7500
3	3000	8000	3000	9000
4	3000	8000	5000	10000
Average	3000	8000	3125	8375

**Require: The average return method on the two cases:**

a. Differentiation between the two investment

b. If the annual increase in working capital to the first proposal **5000\$**, and the second proposal **6000\$**, due to the need required for the new machine operation.

**Solution:**

a. **Average Return Rate** = \_\_\_\_\_

Average return rate F. proposal = \_\_\_\_\_

Average return rate S. proposal = \_\_\_\_\_

b. **Average Return Rate** = \_\_\_\_\_

Average return rate F. proposal = \_\_\_\_\_

Average return rate S. proposal = \_\_\_\_\_

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Fifth Question	No. of Branches (1)	(10/10)
<b>Fifth Q: Mandatory for the student don't do Mid-Examination</b>		
1. What is intended of project different stages?		(1degree)
<div>■</div> <div></div> <div></div>		
2. What are the project different stages?		(3degree)
<div>1. </div> <div>2. </div> <div>3. </div> <div>4. </div> <div>5. </div> <div>6. </div>		
3. What is the detailed feasibility studies include?		(3degree)
<div>1. </div> <div>2. </div> <div>3. </div> <div>4. </div> <div>5. </div> <div>6. </div>		
4. Who can the State Planning system funded the project?		(3degree)
<div>1. </div> <div></div> <div>2. </div> <div></div> <div>3. </div> <div></div> <div>4. </div> <div></div> <div>5. </div> <div></div>		
<b><u>End of Questions</u></b>		
<b><i>Good Luck</i></b>		