


Course Title: Feasibility Study
Date: 30/11/2017
No. of Questions: (3)
Time: 1 hours
Using Calculator (Yes)

University of Palestine

2nd Midterm Exam.
1st Semester 2016-2017
Total Grade: 15

Instructor Name: Yousef ElMudallal
Student Name: _____
College Name: _____
Dep. / Specialist: _____
Using Dictionary (No)

Answer the following three questions:

Q.1: Choose the correct Answer

4.5 marks

1. Al Aqsa company for internet service considering capital budgeting process, finding that its sales is a function of the income of the users, the company decide to use the simple regression analyses and the data from excel sheet was: $\alpha = 50,000$, $\beta = 1.2$.
The rang of the income for next year expected to be \$10,000, using simple regression analysis the company sales next year will be :-
 - a. \$62,000
 - b. \$70,000
 - c. 60,000
 - d. Can't be find
2. When Capital outlay in the first year is \$1 million. We put this expenditure at:
 - a. The end of year 0
 - b. The beginning of year 1
 - c. At the end of project time
 - d. At the date which we expenditure paid.
3. Company A is considering a proposed project, the company estimates that the working capital for the first three years will be 12,000; 15,000; 18,000 respectively
As a result, the amounts that will included in the net cash flow are:
 - a. 12,000; 15,000; 18,000 respectively at the ending of each year.
 - b. 12,000; 15,000; 18,000 respectively at the beginning of each year.
 - c. 12,000; 3,000; 3,000 respectively at the ending of each year.
 - d. 12,000; 3,000; 3,000 respectively at the beginning of each year

Q.2: Answer two of the following Questions

6 marks

1. Technical aspects of the project development should begin during the planning stages, Mention briefly the main aspects and components of technical study section in Feasibility Study.
 2. A survey is a systematic and extensive process meant to gather information on issues relating to the market characteristics, What are the merits and demerits of a survey as a tool for market research.
1. The Fast Company is evaluating the following two investment proposals, and you are given the Cash Flows for each of them.

Project	Cash Flows (\$)				
	Year 0	Year 1	Year 2	Year 3	Year 4
A	-5,000	1,000	1,000	3,000	0
B	-1,000	0	1,000	2,000	3,000

- a. What is the payback period on each of the previous projects?
- b. In your opinion as Project analyst, can the company depend only on payback criteria to evaluate projects, If not why?

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Q.3: Problems: Answer the following Problems

4.5 marks

You have given these data which related to your company sales for the last years, and you required to forecast the sales for the next three years.

Year	Sales
2006	95,280
2007	96,480
2008	94,300
2009	97,800

1. Calculate weighted moving average for years 2010, 2011, 2012 (The allocation of weights is as follows: a weight of 0.5 for the most recent observation, 0.3 for the older observation 0.2 for the oldest observation).
2. Use exponential smoothing model for predicting the sales for years 2010, 2011, 2012, using data
 - a. Forecasted value for 2009 is 94935
 - b. $\alpha = 0.3$.