DSE I: MDF 505: PROJECT APPRAISAL AND IMPLEMENTATION

Course Objectives:

To explain identification of a project, feasibility analysis including market, technical and financial appraisal of a project. Understand the relevance of alternative project appraisal techniques, financial structuring and financing alternatives. This course intends to involve students to apply appraisal techniques for evaluating live projects

Learning Objectives:

- Perform appraisal of projects with detailed feasibility analysis.
- Develop the profitability projections.
- Develop the strategies employed in managing risk.
- Practice project management decisions and control

Course Contents:

Unit I **(2 Weeks)**

Project Appraisal:

Appraisal : an introduction, Project appraisal and evaluation , Project life cycle, Project cycle management , Cost benefit analysis of Private and Public sector Projects; Identification of investment opportunities – industry analysis review of project profiles, – feasibility study , Project identification and formulation , Generation of Project ideas, Basic Principals of Project Analysis Entrepreneurship – concept, theory and perspective

References:

Agrawal, R., & Mehra, Y. S. (2017). Project Appraisal and Management. New Delhi: Taxmann Publications. [Ch 1 and 9]

Unit II **(2 Weeks)**

Market and Technical Appraisal:

Market feasibility analysis of a project, Need for market analysis, Demand and supply analysis, Collection analysis, primary /secondary data, Forecasting of market growth; Market forecasting techniques ; Technical appraisal of a project , Technology tie ups and diffusion; Management of technology and business.

References:

Agrawal, R., & Mehra, Y. S. (2017). Project Appraisal and Management. New Delhi: Taxmann Publications. [Ch 2 and 3]

Unit III **(4 Weeks)**

Investment and Socio Economic appraisal:

Financial feasibility analysis, Investment decision techniques : DCF and non DCF methods, Investment criteria, Project Appraisal parameters of select Financial Institutions; Financing options for a new venture; Economic Analysis of a project : Social cost benefit analysis – rationale of SCBA, direct and indirect cost and benefits, shadow price Efficiency and Equity in Project Appraisal, UNIDO approach, Little Mirrlees Approach, Environment Impact assessment of a project and Social Impact Assessment of a project, Project Appraisal of Indian Plans.

References:

Agrawal, R., & Mehra, Y. S. (2017). Project Appraisal and Management. New Delhi: Taxmann Publications. [Ch 4,5 and 6]

Unit IV **(4 Weeks)**

Project risk assessment:

Risk and Sensitivity Analysis, Taxonomy of Risks, break even analysis, Sensitivity Analysis, Risk analysis using simulation models and decision trees, Monitoring and Evaluation of a Project - PERT / CPM, Monitoring mechanism, Evaluation and Lessons, Preparation of project report - Case Analysis.

References:

Agrawal, R., & Mehra, Y. S. (2017). Project Appraisal and Management. New Delhi: Taxmann Publications. [Ch 8 and 11]

Text Books:

1. Agrawal, R., & Mehra, Y. S. (2017). Project Appraisal and Management. New Delhi: Taxmann Publications.

2. Machiraju, H. R. (2001). Introduction to project finance: An analytical perspective. New Delhi: Vikas Pub. House.

Additional readings:

1. Pouliquen, L. Y. (1970). Risk Analysis in project appraisal. World Bank staff occasional papers, No.11 (Washington D.C., IBR), 52-62.

2. Esty, B. C., & Sesia, A. M. (2007). An overview of project finance and infrastructure finance 2006 update. Boston, MA: Harvard Business School.
3. Boardman, A. E., Boardman, A. E., Greenberg, D. H., Vining, A. R., & Weimer, D. L. (2018). Cost-benefit analysis: Concepts and practice. Cambridge: Cambridge University Press.

Teaching Learning Process:

Lecture, discussion, Power Point presentations, Case Studies of various projects and entrepreneurs, Workshop on performing feasibility analysis of a project and preparation of a project report.

Assessment Methods:

Internal Assessment: 25 marks

Written Theory Exam: 75 marks

Keywords:

Project Appraisal, Life Cycle of a project, Market, Technical and Financial Feasibility, SCBA, Risk and Sensitivity Analysis, PERT, CPM, Project Report.