



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

FIRST YEAR EXAMINATION FOR THE AWARD OF THE DEGREE OF
MASTERS IN PROJECT PLANNING AND MANAGEMENT
SECOND SEMESTER, 2021/2022
(JUNE-SEPTEMBER, 2022)

MPPM 823: PROJECT APPRAISAL TECHNIQUES

STREAM: Y1 S2

TIME: 3 HOURS

DAY: MONDAY, 9:00-12:00 PM

DATE: 00/10/2022

INSTRUCTIONS

- 1. Do not write anything on this question paper.*
- 2. Answer Question ONE [Compulsory] and any other THREE Questions.*

QUESTION ONE

- What is: (i) a project? (2marks)
(ii) Project appraisal? (2marks)
- Highlight characteristics of a typical project. (4marks)
- What is the difference between a program and a project? (8marks)
- State four similarities in a program and a project. (4marks)

QUESTION TWO

- Project accounting sets itself apart from standard accounting by using different systems, processes and reporting standards. Discuss. (10marks)
- What is cost-benefit analysis, and how is it important in project appraisal? (10marks)

QUESTION THREE

- What factors should an entrepreneur consider to ensure a project is worth taking? (6marks)
- How should I calculate if a project is worth it? (8marks)
- Explain how internal rate of return is useful in project management. (6marks)

QUESTION FOUR

- a. Define the following business concepts:
- i. A saving account. (2marks)
 - ii. A financial investment. (2marks)
 - iii. Capitation. (2marks)
 - iv. Financial security. (2marks)
- b. Illustrate, giving six examples, the role of non-bank institutions in driving Kenyan economy. (12marks)

QUESTION FIVE

- a. What is a financial asset? (2marks)
- b. State the difference between stocks and shares in business. (4marks)
- c. What is money market, and why is it important for the economy of a country? (6marks)
- d. How does interest rates affect small businesses in Kenya? (6marks)