10.

(*University of Choice*)

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

Main EXAMINATION

UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR

FIRST YEAR SECOND SEMESTER EXAMINATIONS

FOR
MSC ECONOMICS

COURSE CODE: ECO 812/MDS807

COURSE TITLE: PROJECT PLANNING AND APPRAISAL

DATE: WEDNESDAY 07/12/2022 **TIME:** 2:00 -5:00

INSTRUCTIONS TO CANDIDATES

ATTEMPT QUESTION **ONE** AND ANY OTHER **THREE**

TIME: 3 Hours

MMUST observes ZERO tolerance to examination cheating

QUESTION ONE

a) Highlight, using appropriate examples, the essence of adopting the following mechanisms for effective development planning in the Sub-Saharan context
  i.   Macroeconomic planning models
  ii.   Benchmarking standards
  iii. Budgetary control
  iv.   Monitoring and evaluation
  v.   Emerging technologies for development planning   (30 marks)

b) Development plans often fail to achieve desired targets and standards. Identify the various control mechanisms that can be adopted to achieve the required outcomes.   (10 marks)

QUESTION TWO

As a Policy Officer, the government is planning a food security plan in adaptation to climate change.
  a. Identify the key vulnerable population groups affected by food insecurity. (6 marks)
  b. Stakeholder participation is essential to the process. Explain how you would go about preparing a stakeholder analysis and describe how the different groups can be engaged effectively in the planning and implementation process.   (14 marks)

QUESTION THREE

Your department is considering two different renewable energy projects for the community as scheduled below:

	Solar Plant (sh'000)	Wind Plant (sh '000)
initial investment	4000	5000
Annual fixed costs	200	300
Annual variable costs (% of investment cost)	20%	20%
Annual expected revenue	1500	2000
Project life	5 years	5 years
Discount rate	10%	10%

a) Identify the most viable project by assessing the following economic indicators:
    i.   Net present value   (8 marks)
    ii. Economic rate of return   (6 marks)
b) Highlight various sources of funding that can be used for the selected project.   (6 marks)

QUESTION FOUR

The county government is considering a 5 year infrastructure development plan. Critically evaluate the following economic forecasting models by highlighting their relative strengths and limitations.
    a. Shadow pricing
    b. Social accounting matrix (SAM)
    c. Harrod Domar Growth model   (20 marks)

QUESTION FIVE

Identify and discuss the role of the various domestic, regional and international linkages that are essential to the effective outcomes of development planning in Kenya   (20 marks)

QUESTION SIX

As a Development Consultant, discuss the key components and tools of the following techniques in assessing the viability of a proposed fuel pipeline project:
    a. Risk and sensitivity assessment
    b. Social viability assessment
    c. Environmental assessment   (20 marks)