[Frequently Asked Questions]

Exercise on Writing of the Project Report

Subject:	Business Economics
Course:	B. A. (Hons.), 5th Semester, Undergraduate
Paper No. & Title:	Paper – 551 Elective Paper P1 Project Management
Unit No. & Title:	Unit – 5 Writing of the Project Report
Lecture No. & Title:	Lecture – 1 Exercise on Writing of the Project Report

Frequently Asked Questions

Q1. What is Project Management?

A1. Project management is simply management of projects. It is a discipline which uses established principles, procedures and policies to manage a project from conception through completion.

Q2. What is feasibility study?

A2. A *feasibility study* is an analysis of assessment of viability of an idea. It tries to ensure that a project is legally and technically feasible and economically justifiable. It tells us whether a project is worth the investment.

Q3. Why technical analysis is important in evaluating a project ?

A3. Technical analysis is concerned with the assessment of technology, processes, know-how, and their indigenization and so on. Thus, it is very important to evaluate the technical feasibility in terms of availability of commercially exploitable technology and its alternatives, transferability of technologies, other inquiries about technologies etc.

Q4. How would you do Market and Demand Analysis for project ?

A4. Market feasibility aims to assess the potential sales/ Demand of a proposed product which is termed as Market and Demand Analysis. For analyzing the market and demand, analysis of products, market perception of the company, company’s strategic plans and goals, company’s culture and values, current technology and technology gap, overall market share and competitive position needs to be analyzed. It can be done through collection of primary as well as secondary source of information.

Q5. What are the factors considered while evaluating a project ?

A5. While evaluating project, analysis of market, technology, financial pattern, economic position , situation analysis etc. needs to be done. Factors like product demand, regional, national and export market potential, infrastructure facility, demand forecasting, supply estimates, possible product mix, financial feasibility, etc. need to be analysed.

Q6. Which are the techniques of capital budgeting ?

A6. Capital budgeting techniques include discounting and non-discounting techniques. Discounting Techniques include Net Present Value(NPV), Internal Rate of Return (IRR),.and Benefit Cost Ratio(BCR) Non- Discounting Technique includes Accounting Rate of Return(ARR) and Pay Back Period(PBP).

Q7. Which are the important network techniques ?

A7. The Network Techniques include GANTT Chart, Programme Evaluation and Review Techniques (PERT), (Critical Path Method) CPM.

Q8. Which models/ techniques would be used while incorporating risk in decision making?

A8. Appraoches/ Models like Pay-Off and Regret Models, Certainty Equivalent approach, Risk Adjusted Discount Rate etc. are used to incorporate risk in project.

Q9. What is sensitivity analysis?

A9. Sensitivity Analysis is a technique in which sensitivity of profit to the change in one particular project variable is studied. The vital few variables which may have an impact on the profitability of project will be identified and eventually the success of the project will be studied on that basis. It is called ”What If” Analysis because it involves process of recalculating the net present value if a particular factor turns out to be at different level than originally estimated.

Q10. What is role of investment bankers?

A10. Investment Banker is a person working for raising capital for companies, government and other enterprises or entities. They also provide services of issue management, mergers and acquisitions, advices on re-organization and other services.