

## Question Bank of evaluation Project

**Q1 /The table represents the default data for the feasibility study for establishing a commercial bank project. Is it recommended to establish or reject a business under the following criteria: 1. Internal rate of return 2. Net present value, if you know that the prevailing interest rate in commercial banks is 13%,and the approved discount rate between (12% - 20%)?**

Years of project life	Investment costs	Operating costs	Production costs	Total Revenue	discount rate12%	discount rate20%
1	7500	-	-	-	0.893	0.833
2	6000	-	-	-	0.797	0.694
3	-	600	700	6000	0.712	0.579
4	-	600	700	6000	0.636	0.482
5	-	600	700	6000	0.567	0.402
6	-	600	700	6000	0.507	0.335
7	-	600	700	6000	0.452	0.279
			-	337*		

**Q2 /A- Explain the General environment for investment projects?**

**B- Definition feasibility study and Write any benefits of completing feasibility study ?**

**Q3 /Below represent the data capacity (iron) in the iron and steel plant in Erbil for the period (2010-2015).**

years	Actual energy	Planned energy	Energy available	The design capacity
2010	893683	1110000	1281883	1709177
2011	980000	1000000	1281883	1709177
2012	767000	850000	1315000	1753572

2013	855000	850000	1315000	1753572
2014	944000	850000	1315000	1753572
2015	942000	900000	1315000	1753572

**The required:** 1. Identify the amount of capacity utilization at the facility.  
2. Stalled energy (unites and ratio) .3. Operation ratio.

**Q4 /A-** Explain the most important sources of investment ideas?

**B-** Below are three projects (A-B-C) and information for each project?

Sequenece	data	Project A	Project B	Project C
1	Fixed capital	200	300	150
2	The annual income	30	50	45
3	Expenses	10	15	5
4	Net annual income	20	35	40

**Required:** What is the order of the project in terms of standard profitability rate?

**Q5/** In the table below information on production and prices, and the cost per unit for the old project size (5) years, and the initial cost of the project is (100) million dollars, if u know that the interest rate in market is 16% ?

Project Life	Size of production	costs	Prices
1	400000	95	110
2	500000	90	105
3	650000	80	100
4	750000	70	95
5	825000	65	95

**The required:** 1. Calculate the average return for investment. 2. Calculate the payback period for the capital. 3- And interpretation of the results

**Q6/ A- To achieve the success of the project, there must be a set of criteria, what are these criteria, Write the number of these criteria and explain of them? (15 Marks)**

**B- Draw the general framework for feasibility studies by investment projects?**

**Q7 /If you have the following data from the two projects (A and B).**

the details	Project A	Project B
The investment cost of the project	\$12000	\$18000
The useful life	5 years	4 years
Annual net revenue	\$3000	\$5000

**Knowing that:**

- 1. The cost of the initial investment paid a single payment for the project (A).**
- 2. Pay the initial cost of investment in two equal installments, the first when incorporation and the second in two years for the project (B).**
- 3. The discount rate is the prevailing (7%) (Prevailing interest rate).**

**Required: Which projects is a better way by the net present value?**

**Q8/ A- The investment opportunities must be given to a group of the following considerations, Explain that ? (15 Marks)**

**B- Below are three projects (A-B-C) and the information for each project is the order of the project in terms of the rate of turnover of capital?**

Sequence	data	Project A	Project B	Project C
1	Total capital	200	300	160
2	Output value	600	1200	800

<b>3</b>	<b>Fixed Capital</b>	<i>150</i>	<i>200</i>	<i>250</i>
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**Required:** What is the best of the project in terms of standard turnover of capital?