

## **CN5009 PROJECT FORMULATION AND APPRAISAL**

### DETAILED SYLLABUS

#### **OBJECTIVES**

To study and understand the formulation, costing of construction projects, appraisal, finance and private sector participation.

#### **UNIT I PROJECT FORMULATION**

Project – Concepts – Capital investments - Generation and Screening of Project Ideas – Project identification – Preliminary Analysis, Market, Technical, Financial, Economic and Ecological - Pre- Feasibility Report and its Clearance, Project Estimates and Techno-Economic Feasibility Report, Detailed Project Report – Different Project Clearances required.

#### **UNIT II PROJECT COSTING**

Project Cash Flows – Time Value of Money – Cost of Capital.

#### **UNIT III PROJECT APPRAISAL**

NPV – BCR – IRR – ARR – Urgency – Pay Back Period – Assessment of Various Methods – Indian Practice of Investment Appraisal– International Practice of Appraisal – Analysis of Risk– Different Methods – Selection of a Project and Risk Analysis in Practice.

#### **UNIT IV PROJECT FINANCING**

Project Financing – Means of Finance – Financial Institutions – Special Schemes – Key Financial Indicators – Ratios.

#### **UNIT V PRIVATE SECTOR PARTICIPATION**

Private sector participation in Infrastructure Development Projects - BOT, BOLT, BOOT - Technology Transfer and Foreign Collaboration - Scope of Technology Transfer.

#### **REFERENCES**

1. Barcus, S.W. and Wilkinson.J.W., Hand Book of Management Consulting Services, McGraw Hill, New York, 1986.
2. Joy P.K., Total Project Management - The Indian Context, New Delhi, Macmillan India Ltd., 1992
3. Prasanna Chandra, Projects – Planning, Analysis, Selection, Implementation Review, McGraw Hill Publishing Company Ltd., New Delhi. 2006.
4. United Nations Industrial Development Organisation (UNIDO) Manual for the Preparation of Industrial Feasibility Studies, (IDBI Reproduction) Bombay, 1987.