


Kafrelsheikh University		Prof. Montasser Dewidar
Faculty of Engineering		No. of Pages : 2
Department of Mechanical Eng.		Date of Exam : 17 - 1 - 2017
Course: Feasibility Study		Time Allowed : 3 Hours
Course Code: : MDP 4141		Full Mark : 70 Degree
Level : 4		

Answer the following questions

Question No. 1 (Mark 16)

- a- What is a Feasibility Study? and you can make a decision?
- b- Defined the technical feasibility study. and why it is important in details?
- c- Defined break-even point, and calculate break-even point in sales units and sales LE from following information: Price per Unit LE 20, Variable Cost per Unit LE 11.75, and total fixed cost LE 12000.

Question No. 2 (Mark 18)

- a- Design the matrix of evaluation for different five projects and which one you will choice?
- b- There are some parameters should b consider for financing structure, mention, and how you can calculate the average of finance by weight?
- c- The next Table shows the data for two project to compare - The interest = 9%. The value pay one time at the beginning of the first year. Which project you will choice by net present value method?

Data	First project	Second project
investment	80000	85000
Expected life of project	5 years	5 years
Scrap value at the end of the project	-----	7000
Year of cash flow		
1	15000	12000
2	20000	18000
3	24000	25000
4	30000	32000
5	22000	20000

Question No. 3 (Mark 18)

- a- Defined the financial study, what are the questions which it answering?, and why it is important?
- b- Is the market feasibility study important? If yes, why?, what are the aims of market feasibility study?, The data and information and its sources are important for market feasibility study. Discuss.
- c- The next Table shows the data of a suggested project

Year	External cash flow	Internal cash flow
0	21000	---
1	---	7500
2	---	10000
3	5000	9000
4	---	5100

The interest is 11%, and there is no scrap by the end of the project life. Calculate the profitability index, and explain it.

Question No. 4 (Mark 18)

- a- What are the parameters which effects on the optimal financing structure? and what are the benefits of cash flow statement?
- b- Pre-feasibility is very important, why?, what are the contents of it?. What are the steps of determine the projects? and what are the parameters which lead to fail the project?
- c- The next Table shows the data for two project to compare - The interest = 10%. The value pay one time at the beginning of the first year. Which project you will choice by net present value.?

Date	First project	Second project
investment	80000	85000
Expected life of project	5 years	5 years
Scrap value at the end of the project	-----	7100
Year of cash flow		
1	15000	12000
2	20000	18000
3	24000	25000
4	30000	32000
5	22000	20000

Year	Actual value for 9%	Actual value for 10%	Actual value for 11%	Actual value for 12%	Actual value for 15%
1	0.917	0.909	0.901	0.893	0.870
2	0.842	0.862	0.812	0.797	0.756
3	0.772	0.751	0.731	0.712	0.658
4	0.708	0.686	0.659	0.636	0.552
5	0.650	0.621	0.593	0.567	0.497
6	---	0.564	0.535	0.497	0.376
7	---	0.513	---	0.452	0.327
8	---	0.467	---	0.404	0.284

GOOD LUCK

Examining Committee

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