

Faculty of Economics and Political Science

Feasibility Studies

Information :

Course Code : ECO 403

Level : Undergraduate

Course Hours : 3.00- Hours

Department : Department of Economics

Area Of Study :

This course provides students with the knowledge needed for taking investment decisions. It is classified into three parts: the first part is concerned with the market structure and different marketing strategies. The second part deals with technical analysis. The third part deals with financial/economic analysis.

The course further elaborates many investment related concepts: the size and scope of the industry, market segments, projects life-cycle, availability of production facilities. How to: forecast demand, estimate total capital and credit requirements, forecast costs and returns of various alternatives and how the project could generate profits.

Course Goals:

• Discuss and apply key concepts of investment decisions, including investment criteria and valuation of costs and benefits over time.

• Turn academic knowledge and skills into practice in developing new business.

• Assess the financial risk associated with investment decisions.

Description :

This course provides students with the knowledge needed for taking investment decisions. It is classified into three parts: The first part is concerned with the market structure and different marketing strategies. The second part deals with technical analysis, The third part deals with financial/economic analysis.

The course further elaborates many investment related concepts: the size and scope of the industry, market segments, projects life-cycle, availability of production facilities. How to: forecast demand, estimate total capital and credit requirements, forecast costs and returns of various alternatives and how the project could generate profits.

Course outcomes :

a.Knowledge and Understanding: :

- | | |
|-----|---|
| 1 - | Outline critical social and environmental issues concerning investing in projects and tools for their analysis. |
| 2 - | Identify and compare the investment opportunities of different projects. |
| 3 - | Relate key aspects of monitoring and evaluation of project design and management. |
| 4 - | Describe the national impact of the project on the economy. |

b.Intellectual Skills: :

- | | |
|-----|---|
| 1 - | Identify the importance of conducting a feasibility study prior to any major investment project such as establishing a new project, expansion of existing project, and replacements of major machinery and equipment. |
| 2 - | Relate decisions concerning projects to the wider micro and macroeconomic policy analysis. |

c. Professional and Practical Skills: :

1 -	Prepare a research project on appraising investment decisions.
2 -	Appraise financial statements.
3 -	Formulate financial analysis of projects.
4 -	Devise economic analysis of projects.
5 -	Compare and contrast between economic and financial outcomes of the projects.
6 -	Organize demand and marketing studies.
7 -	Construct environmental analysis.
8 -	Link technical studies to demand and market studies.

d. General and Transferable Skills: :

1 -	Experience with conceptual frameworks effective for problem solving and decision making.
2 -	Acquire analytical reasoning skills, numeric and clear effective communication skills.
3 -	Test the ability of students to work under pressure and as part of a team.

Course Topic And Contents :

Topic	No. of hours	Lecture	Tutorial / Practical
Introductory lecture and course outline - Feasibility Study: Basic Concepts and Principles	3	1	
Project Life Cycle and Pre-Investment Studies	6	2	
Demand and Marketing Analysis	3	1	
Technical Studies	3	1	
Environmental Studies	3	1	
Project Planning	3	1	
Sources of Finance	3	1	
Midterm Exam		1	
Financial Analysis: 1-Financial Planning and Projections 2-Financial Statements 3-Financial Measures	6	2	
Economic Analysis: 1-Economic Statements 2-Economic Measures	6	2	
Risk and What If Analysis	3	1	
Final Exam		1	

Teaching And Learning Methodologies :

Presentations
Simulations
Group discussion
Research Paper

Course Assessment :

Methods of assessment	Relative weight %	Week No	Assess What
Course Work (Attendance, Participation, Assignments, Quizzes, Research Paperé)	30.00		To assess understanding.
Final Exam	40.00	15	To assess knowledge and intellectual skills.
Midterm Exam	30.00	9	To assess professional skills

Recommended books :

1. Asian Development Bank, Guidelines for Economic Analysis of Projects, revised edition, World Bank, 2000.
2. Harvard Institute of International Development (HIID), Manual of Appraisal of Development Expenditures, Cambridge, USA, 2010.
3. J. Gittinger, Economic Analysis of Agriculture Projects, Johns Hopkins University Press, USA, 1982.
4. S. Curry and J. Weiss, Project Analysis in Development Countries, Palgrave Macmillan, 2005.