



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**FOURTH YEAR FIRST SEMESTER EXAMINATION FOR DEGREE
OF BACHELOR OF ARTS IN ECONOMICS WITH
INFORMATION TECHNOLOGY**

MAIN CAMPUS

AEC 418: PROJECT APPRAISAL AND EVALUATION

Date: 3rd December, 2016

Time: 8.30 - 11.30am

INSTRUCTIONS:

- Answer Question ONE and any other TWO.

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ISO 9001:2008 CERTIFIED



Question 1

Discuss the six steps involved in carrying out an evaluation process in projects

Question 1

Discuss the challenges that Developing Countries are facing in the exploitation and exploration of their Energy resources. (30 marks)

Question 2

Account for the use of shadow prices in the determination of values of benefits and costs of energy projects. (20 marks)

Question 3

Examine the factors that must be considered in pricing of petroleum in whole sale and retail markets. (20 marks)

Question 4

Evaluate the appropriateness of the following tools in the selection criteria for energy projects

- a) Internal rate of return (10 marks)
- b) Cost recovery factor (10 marks)

Question 5

Account for the contribution of exploitation of energy in rapid economic growth realized among the Oil Producing and exporting Countries.

(20 marks)