

**ASSESSMENT # 7****Total Marks: 30**

1. Explain the various methods of appraising capital projects, including their relative merits and demerits. (15)
2. Preparing a project report involves an analysis of financial data to project future cash outflows and inflows, as well as, a thorough assessment of the following:
  - The project's potential in the market
  - Its technical feasibility
  - Its environmental impact
  - Its financial feasibility
  - Availability of managerial skills required for the project

Why is an environmental impact documented in a project report and how can it affect future cash inflows and outflows. (1.5 marks for one well - expressed point) (15)