

EXAMINATION FOR INTERNAL STUDENTS

For The Following Qualification:-

B.Sc.

ES3040: Financial Management

COURSE CODE : ENVS3040

UNIT VALUE : 0.50

DATE : 02-MAY-03

TIME : 10.00

TIME ALLOWED : 3 Hours

ENVS 3040 Financial Management

Answer FOUR questions.

1. Are public sector appraisal procedures any more satisfactory than private sector project appraisal procedures?
2. In view of the number of stakeholders involved or affected by any construction project, critically assess the concept of Pareto optimality in the context of project appraisal.
3. Discuss the relative merits and demerits of IRR, NDPV in particular and other project appraisal criteria.
4. Explain the corn model and apply its logic to the production of the urban built environment.
5. To what extent can Penrose's theory of the growth of the firm be applied to the construction industry?
6. Explain how portfolio theory may be of use to both a contractor and a property company, pointing out how the concept of variance can be used to assess the risk associated with an investment.
7. Using capital circuits, explain how conflict between participants in the building process emerge from their differing economic interests.
8. Show how an understanding of profit margins, the rotation of capital and the return on capital employed can be used by the management of the firm in its strategic decision making process. What other factors need to be taken into account according to Wood?

END OF PAPER