




Presentation on Project Appraisal

Presented by Group-A

Concept

- Appraisal is the evaluation of the overall ability of the feasible project to succeed.
- It is done after the feasibility study of the project has been completed.
- Project appraisal is a process of detailed examination of several aspects of a given project before resources are committed.
- Project appraisal document generally consists project introduction, objectives, and scope, techniques of implementation, organization description, output, and benefits of project, project monitoring and evaluation etc.



Project appraisal is done to answers following two basic questions:

- ▶ Will the project as designed meet the objectives and needs of country and society?
- ▶ How does the project compete and compares with other feasible projects in terms of funds and other resources?

Aspect of Project Appraisal





Technical Analysis

- Systematic gathering and analysis of the data pertaining to the technical inputs required.
- Availability of raw materials, power, engineering services, maintenance, transportation facility, etc. comes under it.



Economic Appraisal

- Looks at the project from the viewpoint of the whole economy, asking whether the latter will show benefits sufficiently greater than project cost to justify investment in it.
- Focuses on the total benefit of the project and less on the costs spent on the project.
- How far the project contributes to the development, industrial development, maximization of employment ,etc. are view while evaluating.



Market appraisal

- Concerned with marketing related issues.
- Factor such as project capacity, market demand, demand forecasts, estimated revenue, marketing programmed, market share, competition and ability to satisfy customers need are summarized and assessed.



Management appraisal

- Focuses on the different managerial aspect of the project
- project organization and management, institutional relationships and management capabilities in planning, organizing, staffing, leading, implementing and controlling.



Environmental appraisal

- Concerned with positive and adverse environmental impacts of the project.
- Initial environmental examination (IEE) and Environment Impact Assessment (EIA) is carried out and reexamined.
- Environmental restoration measures are also suggested.



Financial appraisal

- Focuses on the financial feasibility of the project.
- Factors such as investment outlay, the cost of capital, means of financing, projected profitability, break-even points, cash flows, investment worth judged in terms of various criteria of merit and risk.
- Sensitivity analysis and ratio analysis is also done.

