

First name:	Last name:	Group N:	N:
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Feasibility study

The growth and recognition of project management during the last few years has raised the need for feasibility studies. Quickly stated, a feasibility study is the initial design stage to any project or plan. As the name implies, a feasibility study is an analysis into the viability of an idea. Feasibility studies help answer the essential question, “should we proceed with the proposed idea?” The objective study may be completed in conjunction with a SWOT planning process, which looks at the strengths, weaknesses, opportunities, and threats that may be present externally (the environment) or internally (resources). Feasibility studies help determine:

- a) does the company possess the required resources or technologies; and
- b) does the proposal offer a reasonable return vs. risk from the investment.

Feasibility studies can be used in many ways but primarily focus on proposed business ventures. Farmers and others with a business idea should conduct a feasibility study to determine the viability of their idea before proceeding with the development of a business. Determining early that a business idea will not work saves time, money and heartache later.

A feasible operating change or business restructure is one where the business will generate adequate cash-flow and profits to withstand the short-term risks it will encounter, and remain viable in the long-term to meet the goals of the owner/founders. The venture might be an investment start-up or the purchase/expansion of an existing business, beyond its present business footprint or enterprise.

Read the text carefully and be ready to answer

1. Answer these questions according to the text: (4 points)

- a) What does the feasibility study help to determine?
 - b) a) does the company possess the required resources or technologies; and
 - c) b) does the proposal offer a reasonable return vs. risk from the investment.
- d) Why the need of feasibility study has raised?

The growth and recognition of project management during the last few years
- e) What is the feasibility study?

feasibility study is an analysis into the viability of an idea

2. Match the terms with their definitions or expressions: (2 points)

1. Go/No-Go Decision C	a) where the business will generate adequate cash-flow
2. business restructure A	b) adopt new decisions
3. rate of return can be achieved D	c) last step of feasibility study
4. future activity B	d) Safe investment

3. Fill in the gaps with the following words: (3 points)

profits - investment - restructure -existing – long term - risks

A feasible operating change or business **restructure** is one where the business will generate adequate cash-flow and **profits** to withstand the short-term **risks** it will encounter, and remain viable in the **long term** to meet the goals of the owner/founders. The venture might be an **investment** start-up or the purchase/expansion of an **existing** business, beyond its present business footprint or enterprise.

4. Match the antonyms of the words in the left: (3 points)

a) Quantitative 3	1 Destroy
b) Paramount 5	2 Maintain
c) Establish 1	3 Unmeasurable
d) Waste 2	4 Recession
e) Compliant 6	5 Unimportant
f) Advancement 4	6 Recalcitrant

5. Are these statements false or true? (4 points)

- Financial MNG aim to ensure irregular and inadequate supply of funds to the concern. F
- The users of external financial diagnosis are: managers, shareholders or employees. F
- Most of the time internal users need a financial diagnosis either to give credits to the companies. F
- A feasibility study is the initial design stage to any project or plan. T

6. Give synonyms from the text to these words: (4 points)

- Evolution = development
- Provoke = generate
- Workability = feasibility
- Acquisition = purchase

BOUKROUH.A / GOOD LUCK