

Solutions

2.1 Road cost per household = $45 \text{ million} / 200 = 0.225 \text{ million units/household}$. Clinic cost per household = $40 \text{ million} / 150 = \text{approximately } 0.267 \text{ million units/household}$. Both together cost $45 + 40 = 85 \text{ million}$, exceeding the budget by 25 million. The ratios measure different benefits, so they do not establish that the road is the better development choice. Check the main bottleneck, expected health and market effects, maintenance, access for disadvantaged households and environmental impacts. Compare feasible scaled options and financing terms; do not assume promised reach is actual reach. Authored points for method, application and condition.

3.1 Compare repayment and currency risk with credible project benefits and continuing service costs. Funding both now may displace later health, education or maintenance spending if debt service rises. Seek affordable terms or a feasible phased plan, examining distribution and environmental effects with affected people. Monitor actual access, health or market outcomes and repayment burden, not GDP or construction completion alone. A conditional choice explains the binding bottleneck and what evidence would change it; this case does not certify a real development programme. Authored points for judgement, case-linked reasoning and qualification. Accept justified alternatives.