

# Investment Appraisal

## Learning program



### Target audience



CFOs, finance business partners, investment managers, investment / financial / credit analysts, CAPEX control managers, management accountants, project managers, internal auditors.

### Why PwC Academy?



- Systematic approach to training.
- Case studies.
- Current trends in CAPEX appraisal.
- Specially designed study materials.
- Useful practical tools and tips.

### Timing and delivery



16 hours

Sessions are delivered virtually:  
4 webinars (from 9.00 to 13.15 CET)

### Learning objectives:

- 1 Explain the steps in the investment decision-making process.
- 2 Apply investment appraisal techniques and explain their results, strengths and weaknesses.
- 3 Collect relevant data and build capital investment models.
- 4 Analyse risk and uncertainty associated with the investment decision making.
- 5 Optimize the investment portfolio for long-term growth. Determine the optimum asset replacement cycle. Choose between buying an asset or taking it on lease.



## Topics to be covered:

<b>Capital investment process</b>	<ul style="list-style-type: none"><li>• Decision making model for capital expenditure decisions</li><li>• Types of capital investment projects</li><li>• Post-completion audit</li></ul>
<b>Appraisal methods</b>	<ul style="list-style-type: none"><li>• Traditional methods: payback period (PP), accounting rate of return (ARR)</li><li>• Time value of money and discounting</li><li>• Appraisal methods based on discounting: net present value (NPV), internal rate of return (IRR), modified internal rate of return (MIRR), discounted payback period (DPP), profitability index (PI), discounted payback profitability index (DPBI)</li></ul>
<b>Capital investment models</b>	<ul style="list-style-type: none"><li>• Financial model templates</li><li>• Relevant cash flows</li><li>• Terminal value. Annuities and perpetuities</li><li>• Working capital</li><li>• Taxation (income tax, VAT)</li><li>• Inflation</li><li>• Cost of capital</li></ul>
<b>Dealing with risk in investment decisions</b>	<ul style="list-style-type: none"><li>• Sensitivity analysis</li><li>• Scenario analysis</li><li>• Monte Carlo simulation</li><li>• Stress testing</li><li>• Value at risk (VaR)</li><li>• Decision trees and multi-stage decision problems</li><li>• Real options</li><li>• Adding a risk premium to the discount rate</li></ul>
<b>Further aspects of investment appraisal</b>	<ul style="list-style-type: none"><li>• Capital rationing</li><li>• Capital assets replacement decisions</li><li>• Lease or buy decisions</li></ul>

## Contact



### Svitlana Zasukhina

**MBA, CFA, ACMA/CGMA, CIA**

Senior Manager

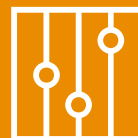
*PwC Academy*



+48 519 062 937



svetlana.z.zasukhina@pwc.com



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