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Course title: INVESTMENT PROJECT EVALUATION METHODS

ECTS credit allocation (and other scores): 4.0

Semester: autumn and spring (2 semesters)

Level of study: ISCED-6 - first-cycle programmes (EQF-6)

Branch of science: Social sciences

Language: English

Number of hours per semester: 30

Course coordinator/ Department and e-mail: Andrzej Rzeszutek / Department of Enterprise Competitiveness /  
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Type of classes: classes

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#### Substantive content

**CLASSES:** This course is about modern knowledge and approaches to investment project evaluation, including international small-business projects, service-industry project, public projects and fin-tech (i.e. cryptocurrencies). This course will give students an understanding of the most common processes, tools, techniques, and theories that are necessary to monitor and evaluate a project. This course examines the defining characteristics of monitoring and evaluation techniques, and introduces the student to a variety of project management techniques that can be applied in a development project context. Special focus will be set on international background of project evaluation, such as difficulties in discount rate estimation and the influence of unstable macroeconomic environment on project evaluation. Topics in the course include the concept of an investment project – static and dynamic approach to an investment project, sources of project financing including domestic and foreign, the method of equity financing and debt financing of the project and mixed financing strategy, static methods of projects' evaluation, including breakeven point analysis, sensitivity analysis, simple rate of return, accounting rate of return – different variants, discount rate estimation methods consisting of net present value, net present value with assumed rate of re-investment, internal rate of return, modified internal rate of return, economic rate of return for public projects evaluation and ecological projects evaluation, risk assessment methods. Moving with the times, the course will consider approaches to evaluation of cryptocurrencies, financial technology projects (fin-tech), including blockchain ventures. The focus in project valuation is on corporate level and small business alike, and students will gain knowledge and skills to develop and evaluate projects both in corporate settings, small and medium sized firms and in public environment. The course contains a set of in-class exercises at to develop knowledge and skills at incremental level from basic to advanced. An end-of-term practical research project and in-class presentation is required to fathom and advance the linkage between the theory and practice, apart from regular home assignments and in-class interactive work on case-study project. The final written exam is to evaluate the student's effects. Each week the instructor will provide instructions to help students complete the required assignments. Students will participate in discussions and receive feedback from the course instructor. Students will have access to videos, lectures, tests, and assignments that can be accessed at any time.

**Learning purpose:** this course is an unavoidable tool for development of international projects as it provides the information needed to make decisions for project evaluation, improve the efficiency and effectiveness of the project decisions in variety of aspects.

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On completion of the study programme the graduate will gain:

Knowledge:



- The definitions of: project, economic project, investment project, systematics of economic projects and their structure
- Understanding of issues related to the construction, financing and valuation of economic projects, with particular emphasis on investment projects
- The nature and importance of strategic analysis in the development of economic projects
- The basic methods of calculating cash flows, the cost of equity, the cost of foreign capital, weighted average cost of capital
- The concept of the discount rate and the concepts of its estimation, static and dynamic methods of assessing the effectiveness of economic projects

Skills:

- The student is able to calculate the cash flow generated by the project and discount rate and assess the profitability of the economic project
- The student is able to professionally and consistently verbalize topics related to the valuation of economic projects

Social Competencies:

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- The student is aware of the role of assessing economic projects in the process of making economic decisions
  - The student can interact with other people as a team member
  - The students learn team leadership in business projects
  - The student learns effective business presentation skills
  - The student learns to effectively communicate in a multinational and culturally diverse environment
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Basic literature:

- Brealey, Myers, Marcus Fundamentals of Corporate Finance 8th Edition

Supplementary literature:

- Academic articles and industry reports indicated by the instructor
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The allocated number of ECTS points consists of: 4.0

Contact hours with an academic teacher: 40

Student's independent work: 68