



Introduction to Investment Appraisal (Cost Benefit Analysis and Financial Analysis)

Duration 1-day

Course Description

Cost benefit analysis and financial analysis are common forms of investment appraisal and are used as a way to assist in identifying the optimal solution to the identified problem.

This workshop is aimed at demystifying the process so that you can have a sound understanding of the key elements of the analysis to enable you to be more confident managing and reviewing investment appraisals.

Outcomes

- The purpose of investment appraisal and its role in the business case
- Understand different appraisal methods and when to utilise them.
- The steps to Identify and quantify costs and benefits
- How to calculate an investment appraisal
- The role of sensitivity analysis and how to apply it
- The role of evaluation to ensure the benefits and outcomes are realised

Key Content

- The key steps in the investment appraisal
- Identifying what to include in a cost benefit analysis (CBA) and financial analysis (FA)
- Establishing the objectives and outcomes for the proposal
- Developing an effective multi-criteria analysis (MCA)
- The key steps to establishing costs and benefits
- The role of the discount rate or weighted average cost of capital
- Calculating the return on investment (RoI) using present value (PV), net present value (NPV), internal rate of return (IRR), payback period and discounted payback period.
- Identifying key risks and assessing with sensitivity analysis
- Developing process and project evaluation plans