

GENERAL INFORMATION		
Course coordinator	Assoc. prof. Sinisa Bogdan	
Course title	Capital Budgeting and Project Appraisal	
Study programme	University undergraduate study programme Business Economics in Tourism and Hospitality	
Course status	Elective	
Year	4th	
ECTS credits and form of instruction	ECTS credits	3 ECTS
	Number of hours (L+P+S)	30 (15+0+15)
COURSE DESCRIPTION		
1.1. Course objectives		
The objective of this course is to familiarize students with the long-term decision-making process and investment appraisal techniques. Students will gain specific knowledge related to estimation of cash flow and cost of capital, they will also develop competencies for understanding the risks of investment projects and how to involve them in the decision-making process.		
1.2. Course enrolment requirements		
None		
1.3. Expected course learning outcomes		
After attending and passing this course the student will be able to:		
1. Apply and interpret investment appraisal techniques 2. Estimate cost of capital 3. Apply risk assessment techniques in investment appraisal 4. Evaluate and argue the financial viability of investment projects		
1.4. Course content		
The concept of capital budgeting. Financial and real investments. Characteristics of the investment project. Financial efficiency. Types of investment projects. The process of capital budgeting. The importance of capital budgeting and financial decision-making methods. Cost of capital. Payback period technique. Discounted payback period technique. Net present value technique. Internal rate of return technique. Profitability index technique. Modified internal rate of return technique. The residual value of the project. Measurement of project risk.		
1.5. Types of teaching (add an 'X')	<input checked="" type="checkbox"/> lectures <input checked="" type="checkbox"/> seminars and workshops <input type="checkbox"/> practicals <input checked="" type="checkbox"/> distance learning <input type="checkbox"/> field-based learning	<input checked="" type="checkbox"/> independent tasks <input checked="" type="checkbox"/> multimedia and network <input type="checkbox"/> laboratory <input checked="" type="checkbox"/> mentoring work <input type="checkbox"/> other _____
1.6. Students' obligations		

**Class attendance (full-time students, minimum class attendance 75%), active participating in class, writing and oral defense of seminar paper and practical work, continuous assessment and written exam.**

## 1.7. Monitoring students' work

Course attendance	1.0	Activity / Participation		Seminar paper	0.3	Experimental work	
Written exam	0.4	Oral exam		Essay		Research	
Project		Continuous assessment	0.8	Report		Practice	0.5
Portfolio							

## 1.8. Assessment and evaluation of student work during classes and at the final exam

Assessment and evaluation of students in classes and at the final exam is conducted under the Rulebook on students' evaluation at the Faculty of Tourism and Hospitality Management. For each course it is made a detailed course syllabus which coordinates activities, student load, learning outcomes and evaluation methods.

## 1.9. Essential reading and the number of copies provided in relation to the current number of course participants

Title	Number of copies	Number of students
Goel, S. (2015). Capital budgeting. Business Expert Press.	1	
Peterson, P. P., & Fabozzi, F. J. (2002). Capital budgeting: theory and practice (Vol. 10). John Wiley & Sons.	1	
Don Dayananda, Richard Irons, Steve Harrison, John Herbohn and Patrick Rowland. (2002) <i>Capital Budgeting – Financial Appraisal of Investment Projects</i> . Cambridge University Press		

## 1.10. Additional reading

## 1.11. Quality monitoring methods ensuring the acquisition of expected knowledge, skills and competencies