COURSE BROCHURE

Capital Budgeting and Investment Appraisal

An applied course on preparing the capital budget and appraising investment proposals with NPV, IRR and payback, including risk analysis and an Excel appraisal model presented to an investment committee.

Code	HT-FIN-112
Category	Finance & Accounting
Duration	1 week
Level	Intermediate

Introduction

Requests for capital spending always exceed the funds available, and one poor decision can tie an organization down for years. Choosing well between projects takes realistically estimated cash flows, a defensible discount rate and a clear view of what could change after approval.

Objectives

- Explain the capital budgeting cycle and the approval stages for proposals
- Identify the incremental cash flows relevant to an investment decision
- Apply NPV, IRR, MIRR, payback and profitability index and interpret the results
- Estimate the discount rate and treat inflation and tax in the cash flows
- Analyze project risk and rank projects when capital is limited

Who should attend

- Financial analysts and cost accountants
- Budgeting and financial planning officers
- Project engineers and managers who prepare feasibility studies
- Members of investment and capital expenditure committees

Skills you will develop

- Project cash flow estimation
- Applying investment appraisal criteria
- Sensitivity and scenario analysis
- Writing investment papers

Learning Outcomes

- Build a project cash flow schedule including working capital and terminal value
- Calculate NPV, IRR and discounted payback using Excel functions
- Produce a tornado chart showing the variables that most affect project viability
- Rank a portfolio of projects within a spending ceiling and justify the selection

Course Outline

Day 1: The Capital Budgeting Cycle and Relevant Cash Flows

- Classifying capital projects: replacement, expansion and regulatory, and the approval stage gates

- Incremental cash flows, sunk costs and opportunity cost
- Working capital, initial outlay, operating cash flows and salvage value

Day 2: Appraisal Criteria

- Time value of money, net present value and the profitability index
- IRR and MIRR, and where IRR conflicts with NPV for mutually exclusive projects
- Simple and discounted payback and the limits of both

Day 3: The Discount Rate and Cash Flow Detail

- Weighted average cost of capital and the cost of equity with CAPM
- Nominal and real cash flows and treating inflation consistently with the discount rate
- The depreciation tax shield and estimating terminal value

Day 4: Risk Analysis

- Sensitivity analysis, tornado charts and break-even values for key variables
- Scenario analysis and an introduction to Monte Carlo simulation in Excel
- Decision trees and the idea of real options: defer, expand and abandon

Day 5: Selection and Follow-Up

- Capital rationing, project ranking and replacement decisions with equivalent annual cost
- Lease-or-buy analysis and the post-completion audit
- Workshop in which each team builds a full appraisal model in Excel and writes an investment paper presented to a mock committee

Training methodology

Excel calculation exercises on NPV, IRR and equivalent annual cost
Equipment replacement and capacity expansion cases from industry and services
Building tornado charts and sensitivity tables for the case project
Presentation and challenge of the investment paper before a mock committee

Certification

Participants receive a Harbor Training Center certificate of attendance on completing the course.

Upcoming dates

City	Dates	Language	Fee
Istanbul	22 – 26 February 2027	AR	EUR 4,800
Dubai	1 – 5 March 2027	EN	EUR 4,500
London	8 – 12 March 2027	AR	EUR 5,700
Amsterdam	15 – 19 March 2027	EN	EUR 5,500
Online	22 – 26 March 2027	AR	EUR 1,800
Istanbul	23 – 27 August 2027	EN	EUR 4,800
Dubai	6 – 10 September 2027	AR	EUR 4,500
London	13 – 17 September 2027	EN	EUR 5,700
Amsterdam	20 – 24 September 2027	AR	EUR 5,500
Online	27 September 2027 – 1 October 2027	EN	EUR 1,800

Fees are per participant.

Contact us

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To register and for details, scan the code or visit:

https://harbor4training.com/en/courses/capital-budgeting-investment-appraisal