



SETTEC
THE TRAINING HOUSE!

Decision Making and Capital Budgeting

Objectives:

By the end of this course you will be able to take an informative financial decision and evaluate the new projects and investments opportunities

Contents:

Decision Making & Marginal Analysis

Day 1

Cost-Volume-Profit analysis CVP “Breakeven analysis”

This session will include all practical cases that can be answered using that module. An excel sheet that developed for this module will be provided and discussed.

Day 2

Decision Making and relevant information

1. Make or Buy
2. Special Order
3. Disinvestment
4. Obsolete inventory
5. Working under constrains
6. Joint costs and sell or process further.

Capital Budgeting process and evaluation techniques

Day 3

Capital Budgeting process and measuring relative cash flows

- Defining the capital budgeting and determining the questions that we are going to answer.
- Defining the capital budgeting process
- Determining the relevant cash flows for each project and how do we calculate it.

Day 4

Evaluating Capital Budgeting projects I

- Defining the PV & FV.



SETTEC
THE TRAINING HOUSE!

- Determining the capital budgeting evaluation techniques, advantages of each and its drawbacks:
 1. Payback period
 2. Bailout payback
 3. Discounted payback period
 4. Net present value.
 5. Internal rate of return

Day 5

Evaluating Capital Budgeting projects II

1. Modified internal rate of return.
2. Profitability index
3. Accounting rate of return.
4. Choosing between the optimal capital budgets.
 - Increasing marginal cost of capital
 - Capital rationing
5. Problems and solutions.
6. Conclusion: Decision-making Criteria in Capital Budgeting
7. Linear Programming
8. Post investment audit.

Target Group:

- Managers, Members of Board Directors, High Administration and All Levels of Responsibility in accounting and finance.
- All Administrative Staff who are Responsible of Taking Financial Decisions

Language:

- The materials for the trainees will be in English.
- The language of instruction will be in Arabic / English.