

Ministry of Education and Science of the Russian Federation

Plekhanov Russian University of Economics

Faculty of Distance Learning

Department of Finance and Prices

**ANNOTATION OF THE WORKING PROGRAM OF THE
EDUCATIONAL DISCIPLINE**

**B1.V.08 ASSESSMENT OF THE EFFECTIVENESS OF INVESTMENT
PROJECTS**

Direction of studies 38.04.01 "Economics"

Program focus Equity Management

Level of higher education Master

Program of studies Academic Master Program

Moscow, 2019

1. The purpose and objectives of the discipline:

The purpose of the discipline "Assessment of the effectiveness of investment projects" is to give learners a holistic understanding of the basics of investment analysis and its use to assess the effectiveness of investment projects; to show its place and role in the financial management system; to train students in mastering practical skills in collecting and systematizing information for projects assessment, conducting investment calculations using computer modelling; to form practical skills in using results of projects assessment for management decisions; to teach the students to apply the methods of the studied discipline in their future practice as firm managers and specialists in the field of financial management.

Educational tasks of the discipline

The objectives of the discipline are:

- gaining the knowledge of the basic theoretical ideas of the investment analysis of projects;
- gaining the knowledge of the main integrated economic indicators of the effectiveness of projects and methods of their calculation;
- mastering the basic techniques and methods of collecting and organizing information for assessing the effectiveness of projects;
- mastering the basic methods of calculating the integrated economic indicators of projects, including using computer modelling;
- having an idea of the main sources of financing investment projects and the dependence of project effectiveness on the types of sources used;
- gaining the knowledge of the main types of risks of investment projects, an assessment of these risks and methods to minimize their negative impact;
- having an idea of the possibility of using the results of the analysis of investment project effectiveness for making managerial decisions.

2. Requirements for the results of mastering the discipline

(Planned learning outcome)

As a result of studying the discipline, the following competences should be formed:

Competence code and name	Definition and structure of competence	
PROFESSIONAL COMPETENCES		
DESIGN AND ECONOMIC ACTIVITIES		
PC-5 The ability to independently prepare tasks and develop design solutions taking into account the uncertainty factor, to draw up appropriate methodological and regulatory documents, as well as proposals and activities for implementing the developed projects and programs	Know	basic regulatory and methodological documents in the field of project management; methods for assessing the effectiveness of developed projects and approaches to assessing project risks
	Be able to	independently formulate the tasks of a quantitative analysis of economic processes and evaluate the effectiveness of projects taking into account the uncertainty factor
	Master	a mechanism for the implementation of projects and programs and the development of methods for analyzing design solutions
PC-6 Ability to evaluate the effectiveness of projects taking into account the uncertainty factor	Know	methods for evaluating the effectiveness of business projects and programs
	Be able to	apply modern mathematical tools for solving substantive economic problems, including evaluating the effectiveness of projects and calculating key indicators taking into account the uncertainty and risk factor

	Master	methods for constructing econometric models, which are able to improve evaluating the effectiveness of projects in the conditions of uncertainty.
PC-7 Ability to develop strategies for the behaviour of economic agents in various markets	Know	methodology and methods of developing strategies for economic entities
	Be able to	use methods and techniques of developing strategies for the behaviour of specific enterprises and organizations
	Master	skills of calculation and analysis of indicators for assessing the effectiveness of enterprises
ANALYTICAL ACTIVITIES		
PC-8 Ability to prepare analytical materials for assessing activities in the area economic policy and making strategic decisions at the micro and macro levels	Know	the methodology and methods for developing strategies for economic entities, methods for collecting and evaluating analytical materials for the development and adoption of strategies for enterprises in the field of investment
	Be able to	apply modern econometric tools for processing analytical materials
	Master	skills of interpreting the results obtained in the process of analysis for making strategic decisions at the micro level
PC-9 Ability to analyze and use various sources of information for economic calculations	Know	forms and structure of financial statements, sources of economic and financial information and methods for their analysis
	Be able to	classify sources of information and analyze information for economic calculations
	Master	methods of primary processing of statistical data from various sources of information
PC-10 Ability to make a forecast of the main socioeconomic indicators of the activities of an enterprise, industry, region and economy as a whole	Know	methods for making forecasts at the micro level, including the activities of the enterprise
	Be able to	make forecasts of the development of specific economic processes at the micro level
	Master	microeconomic skills using modern tools and methods for developing forecasts of enterprise activity,
ORGANIZATIONAL AND MANAGEMENT ACTIVITIES		
PC-12 Ability to develop options for management decisions and substantiate their choice on the basis of criteria of socio-economic efficiency	Know	the methodology for developing options for managerial decisions, criteria of socioeconomic efficiency and limitations on their applicability
	Be able to	apply methods of evaluating the effectiveness of investment projects and develop options for managerial decisions on this basis
	Master	management decision making tools

Forms of control

Formative assessment in the discipline "Assessment of the effectiveness of investment projects includes solving business cases, as well as calculation and analytical tasks. *Summative assessment* is in the form of testing.

Interim certification: **written exam.**

3. The content of the discipline:

No.	The name of the theme	Content
1	The concept of an investment project. Project participants and types of economic efficiency of the project.	The economic nature of investment. Investments in real and financial assets. Subjects and objects of investment analysis. Investment project: goals, content, stages of development and implementation. The main aspects of the feasibility study of an investment project. The economic environment of the project. The participants of the project. Types of economic efficiency of the project.
2	Assessment of economic efficiency and financial viability of the project	Methodological basis for assessing the economic efficiency and financial viability of the project. Basic forms of assessment. Criteria for assessing the effectiveness of the project. Simple methods for evaluating project performance. Valuation methods based on discounted cash flows. Net present value, internal rate of return, payback period (simple and discounted), project profitability index.
3	Cost-effectiveness of the project for its various participants. Types of cash flows.	Types of activity of the enterprise and the corresponding types of cash flows (operational, investment, financial). Non-debt cash flow and cash flow to equity: determination methods and discount ratios.
4	Sources of project financing and discount rates for various types of cash flows	Sources of financing for investment projects. Retained earnings, increase in equity. Investment loan, bond loan, project financing. Cost of equity. Weighted average cost of capital.
5	Practical aspects of evaluating the effectiveness of investment projects	Preparation of initial information. Calculation methods (constant or current prices). The problem of accuracy of calculations.
6	Methods for determining the discount coefficient and their applicability.	Cumulative approach, the CAPM method. Alternative approaches to determining discount rates. Accounting for inflation. Sensitivity analysis. Critical points of the project. Comparative characteristics of programs for assessing project effectiveness presented on the Russian market (Alt-Invest, INEC-Analyst, Project Expert).
7	Features of assessing the economic efficiency of projects for its specific participants.	Comparative characteristics of the methods for evaluating the effectiveness of a project based on the use of the NPV and IRR criteria for the project owner and for the bank. Evaluation of projects for a bank loan. Characteristics of evaluating the effectiveness of an investment project using leasing as a financing tool. Characteristics of evaluating the effectiveness of mergers and acquisitions.

Developer:

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