

UNIT 6: Capital Investment Appraisal

Investment appraisal is the planning process used to determine whether an organization's long-term investments such as new machinery, replacement machinery, new plants, new products, and research development projects are worth pursuing.

Task: You have been employed by a company to provide consultancy services for a new project opportunity. Present a summary of projected net cashflows for two (2) projects the company is considering investing in. Utilize capital investment appraisal techniques to determine which project should be pursued for the selected period. Prepare a report and presentation to the CEO of the company on the projects being considered. Make recommendations for your choice.

Guiding topics of focus :

1. Provide a summary of the company's background and products.
2. Discuss the financial health of the company.
3. Include projected net cash flows for any two (2) projects to be pursued. (include in the appendix)
4. Illustrate the capital investment techniques to be used to assess the projects.
5. Based on the results achieved from the investment techniques used make recommendations with justifications for your choice.

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| <ul style="list-style-type: none"> • Provide an overview of the company, the products and outline the capital investment appraisal techniques to be used in the analysis. | 10 marks |
| <ul style="list-style-type: none"> • Illustrate and show calculations of the techniques selected | 15 marks |
| <ul style="list-style-type: none"> • Make recommendations for the project to be selected | 10 marks |
| <ul style="list-style-type: none"> • Justify recommendations | 10 marks |
| Word count 2500 +/-10% | 5 marks |
| Turnitin (report) 10% similarity | 5 marks |
| Use of subject language / personal expressions | 5 marks |
| Presentation & structure <ul style="list-style-type: none"> - margin - font - headings - introduction - paragraphing | 5 marks |
| Relevant conclusion in response to the scenario | 5 marks |
| APA referencing > 2 academic textbooks >= 3 Academic journals in text citation | 15 marks |
| Declaration of authorship | 5 marks |
| Peer review | 10 marks |
| 20 minute presentation | 10 marks |

Total 100 marks