

## **Project Management and Financial Appraisal**

### **General Objectives:**

This Course has as main objective to transmit a set of tools necessary for the design, elaboration and economic and financial analysis of projects.

During the action there will be a theoretical exposition where a current approach will be adopted and the Practical Case with adherence to the business reality.

### **Specific Objectives:**

At the end of this Course participants will be able to:

- Understand the scope, importance, classification and phases of an Investment Project
- Perform the Economic Feasibility Analysis of the Project, from different perspectives
- Understand, relate and make the economic and financial diagnosis of the Project and its impact on the Forecast Financial Statements.

### **Recipients:**

This Course is intended for Managers, Project Managers and Staff with responsibility for the preparation, evaluation and financial management components of projects.

### **Duration:**

18 Hours

### **Content Program:**

#### **Module I – Introduction**

- Framework of the Analysis of Investment Projects in the Financial Management of Companies;
- Investment. Definition and optics;
- Concept / Definition of Projects from an Investment perspective;
- Classification of Projects according to an Investment perspective;
- Main preparatory phases in the financial preparation of a Project.

## Module II - Project Appraisal / Analysis - Investment Perspective

- Concept of Cash-Flow:
  - Cash-Flows or Free Means of a Project: Cash-Flows of Operation and Investment (Fixed and Current);
  - Accounting Depreciation in the calculation of Project Cash-Flows;
  - Schematic view (conceptual and temporal) for its calculation.
- Financing Projects with Third-Party Capital:
  - The problematic of Financial Charges in the evaluation of Projects;
  - Present Value (PV) of the fiscal savings of financing interest;
  - Its importance in investment appraisal.
- Project Appraisal Optics:
  - The discount rate (TA) of Cash-Flows;
  - Its conceptual formulation;
  - Economic profitability perspective;
  - NPV - Net Present Value;
  - IRR - Internal Rate of Return;
  - TIRI - Integrated Internal Rate of Return;
  - IR - Profitability Index;
  - Comparative overview of NPV and IRR;
  - Economic and financial profitability perspective;
  - NPV - Adjusted Present Value (APV);
  - Investment recovery or Pay-Back Period perspective;
  - Risk/uncertainty perspective: Decision Theory and Statistics;
- Analysis of Projects at Constant Prices versus Current Prices.

## Module III - Diagnosis of the Project's Expected Solvency

- Forecast Financial Statements;

- Their importance in monitoring and controlling the performance of the project/company;
- Operating Account (Income Statement);
- Balance Sheets;
- Cash Flow Statement;
- Financial Plan;
- Key ratios and indicators;
- Post-project evaluation: the Creating Shareholder Value and the Effective Internal Rate of Return (EIRR).

## **Module IV – Case Study**

Elaboration and Financial Analysis of a Project.