

Project Feasibility Study

General Objectives

The main objective of this course is to transmit a set of tools necessary for the design, preparation 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:

30 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 Means Released from a Project: Operating and Investment Cash-Flows (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 - Project Viability

- 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).

Módulo IV – Case Study

- Elaboration and Financial Analysis of a Project.