

**University of Applied Science in Nysa  
Institute of Finance**

**Course description**

<b>Course name</b>		Investment Profitability Calculation			<b>Course</b>				
Major		Finance and Accounting							
Profile		Practical							
Level of studies		First level							
Specialization		Accounting and Financial Control							
Form of studies		Full-time studies							
Semester		V			<b>Language of instruction</b>		English		
<b>Prerequisites for the course</b>	Mathematical analysis and algebra, descriptive and mathematical statistics, econometrics, time value of money, principles of finance, micro-and macro-economics, banking, financial and managerial accounting, cost accounting, financial analysis, corporate finance, financial and capital market, economic law - students showing lack of knowledge influencing on understanding of the problems in the field "Investment Profitability Calculation" will have to make up the necessary knowledge to pass the exam (in VI semester).				<b>Basic courses</b>		N		
<b>Form of crediting</b>		Credit with a grade		<b>Number of ECTS points: 3</b>			<b>Methods of assessment</b>		
<b>Form of classes and other</b>		<b>Number of hours in semester</b>		Total	3	direct contact classes		1,8	practical classes
		Total	Student's workload	Direct contact	<b>Methods of learning outcomes verification</b>			Weight in%	
Lecture	32	2	30	LECTURE IN V SEMESTER: written and oral test			70%		
Classes	55	40	15	CLASSES IN V SEMESTER: written test			30%		
Consultation							0%		
<b>Total hours:</b>	87	42	45				Total: <b>100%</b>		
<b>Categories of learning outcomes</b>	<b>No.</b>	<b>Course learning outcomes</b>			<b>Methods of learning outcomes verification</b>	<b>Major learning outcomes</b>	<b>Area learning outcomes</b>	<b>Forms of realization</b>	
Knowledge	1.	Knowledge of estimating expenditures and future effects of the investment project and assessment its financial efficiency.			written test, oral response	K1_W09++	S1P_W06+	LCP	
	2.	Knowledge of issues related to the investment process in the organization.			written test, oral response	K1_W09++, K1_W08++	S1P_W06+, S1P_W08+	L	

	3.	Knowledge of the construction proforma statements.	written test, oral response	K1_W06 ++, K1_W07 ++, K1_W09 ++, K1_W08 ++	S1P_W06+ +	LCP
	4.	Knowledge and understanding of the methods of investments financial profitability evaluation, classifications, divisions, purpose of usage.	written test, oral response	K1_W09++	S1P_W06+ +	LC
	5.	Knowledge and understanding of the proper choice of the discount rate in the dynamic methods of investment profitability calculation.	written test, oral response	K1_W08++, K1_W09++	S1P_W02+ +, S1P_W06+ +	LC
Skills	1.	Ability to build the team for the assessment of the investment project.	discussion, verification of a project that is realized in VI semester	K1_U02++, K1_U07++	S1P_U5 ++, S1P_U6 ++, S1P_U2 ++, S1P_U8 ++	P
	2.	Ability to lead the projected investment, final elaboration of proforma statements, final financial evaluation of the project.	discussion, verification of a project that is realized in VI semester	K1_U05 ++, K1_U06 ++, K1_U07 ++, K1_U08 ++, K1_U09 ++, K1_U11 ++, K1_U12 ++, K1_U13 ++, K1_U14 ++	S1P_U02 ++, S1P_U03 ++, S1P_U04 ++, S1P_U06 ++, S1P_U07 ++	CP
	3.	Ability to identify the risks associated with the investment.	discussion, verification of a project that is realized in VI semester	K1_U05++	S1P_U01 ++, S1P_U02 ++, S1P_U03 ++, S1P_U06 ++, S1P_U08 ++	CP

Social competences	1.	Student is aware of the consequences of overly optimistic and too pessimistic estimates of the effectiveness of the proposed investments.	discussion	K1_K01++, K1_K02++	S1P_K04++ , S1P_K07+ +	C
	2.	Student is aware of the responsibility of staff teams for the evaluation of the proposed investment, their responsibility for the successes and failures of the company and even the loss of a job by other workers and bankruptcy of the company.	discussion	K1_K01 ++, K1_K02 ++, K1_K03 ++, K1_K04 ++, K1_K06 ++	S1P_K07 ++, S1P_K01 ++, S1P_K02 ++, S1P_K05 ++, S1P_K06 ++, S1P_K03 ++	L
	3.	Student is aware of the various pressures on the employees of these teams and the psychological and sociological interactions outside and inside the teams.	discussion	K1_K01 ++, K1_K03 ++, K1_K05 ++, K1_K06 ++	S1P_K03++ , S1P_K02+ +	L

### Subject supervisor

Form of classes	Subject supervisor
Lecture	PhD (Eng) Marek Wilimowski
Classes	PhD (Eng) Marek Wilimowski
Project	PhD (Eng) Marek Wilimowski

### Teaching content

Lecture	Teaching methods	lecture with multimedia presentation	
No.	Subject classes	Number of hours	
1.	Introduction to investments - goals, evaluation criteria of investment, investment classifications, stages.	2	
2.	Methods of assessing the financial profitability of investment, forms of investment balancing, division of methods of investment profitability calculation.	2	
3.	Estimating cash flows of investment, pro forma statements, estimating capital expenditures, incremental cash flows.	2	
4.	Static methods, static calculation of depreciation - the payback period PB, comparative calculation of costs, comparative calculation of profits, accounting rate of return ARR.	2	
5.	Dynamic methods of estimating investment profitability, the idea of investment evaluation, types of investment projects, evaluation of profitability of real investment projects in deterministic terms.	2	
6.	Assumptions of methods: NPV, PI, IRR and DPB. Comparison of methods of estimating the investment efficiency, comparison of various investment and selection a better one, methods of NPV and PI, the NPV method and IRR, NPV method and the DPB. The investment return and the IRR and PI.	2	

7.	Discussion of issues of correct analysis of investments profitability, valuation of cash flows relevant for the assessment of investment efficiency.	2
8.	Capital costs in estimating the efficiency of investment.	2
9.	Investment lifetime and determination of optimal lifetime.	2
10.	The interval of time between the estimated cash flow of the investment project for the purpose of estimating the efficiency of investment, sunk costs and opportunity costs, the interaction between investment projects, depreciation of investments.	2
11.	Working capital, spontaneous debt capital.	2
12.	Analysis of divestments and exchange.	2
13.	Sources of investment financing, sensitivity analysis, simulation.	2
14.	Capital budget optimization.	2
15.	Risk, methods of investment profitability calculation in terms of risk, risk adjusted discount rate approach – RADRA.	2
<b>Total hours:</b>		<b>30</b>

<b>Classes</b>	<b>Teaching methods</b>	solving tasks, discussion
<b>No.</b>	<b>Subject classes</b>	<b>Number of hours</b>
1.	Solving tasks, analysis of examples from the field of investment profitability calculation. Usage of methods of investment profitability calculation.	7
2.	Test.	1
3.	Solving tasks, analysis of examples from the field of investment profitability calculation. Usage of methods of investment profitability calculation.	6
4.	Test.	1
<b>Total hours:</b>		<b>15</b>

**Primary literature:**

1	Wilimowska Z., Wilimowski M., Sztuka zarządzania finansami, wyd. 2, Część I i II, TNOiK OPO, Bydgoszcz 2002.
2	Brigham E.F., Gapenski L.C., Zarządzanie finansami T1/T2, PWE, Warszawa 2000.
3	Pluta Wiesław, red., Budżetowanie kapitałów, PWE, Warszawa 2000.
4	Pluta Wiesław, Planowanie finansowe w przedsiębiorstwie, PWE, 2003.
5	Machała Robert, Praktyczne zarządzanie finansami firmy, PWN, Warszawa 2001.
6	Rogowski W., Rachunek efektywności inwestycji, Wolters Kluwer Sp. z o.o., Kraków 2008.
7	Brealey R.A., Myers S.C., Podstawy finansów przedsiębiorstw, PWN 1999.

**Secondary literature:**

1	Jackson Mary, Staunton Mike, Zaawansowane modele finansowe z wykorzystaniem Excela i VBA + CD-ROM, Helion, Gliwice 2004.
2	Słownik Reutera: międzynarodowe terminy ekonomiczne i finansowe, oprac. Limited Reuters, - BKKI - Powszechna Agencja Informacyjna, Warszawa 1992.

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Course co-ordinator  
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Director of Institute  
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