COURSE OUTLINE: INVESTMENT APPRAISAL

GENERAL

SCHOOL	ECONOMICS AND BUSINESS		
ACADEMIC UNIT	ECONOMICS		
LEVEL OF STUDIES	UNDERGRADUATE		
COURSE CODE	**OE401**	**SEMESTER**	**8th (Major B)**
COURSE TITLE	**INVESTMENT APPRAISAL**		
INSTRUCTOR(S)	**Asst. Professor K. Emmanouilidis**		

INDEPENDENT TEACHING ACTIVITIES *if credits are awarded for separate components of the course, e.g. lectures, laboratory exercises, etc. If the credits are awarded for the whole of the course, give the weekly teaching hours and the total credits*	**WEEKLY TEACHING HOURS**	**CREDITS**
	3	6
Add rows if necessary. The organisation of teaching and the teaching methods used are described in detail at (d).		

COURSE TYPE *general background, special background, specialized general knowledge, skills development*	SPECIALIZED GENERAL KNOWLEDGE
PREREQUISITE COURSES:	NO
LANGUAGE OF INSTRUCTION and EXAMINATIONS:	GREEK
IS THE COURSE OFFERED TO ERASMUS STUDENTS	YES
COURSE WEBSITE (URL)	https://eclass.uth.gr/courses/ECON_U_290/

LEARNING OUTCOMES

Learning outcomes

The course learning outcomes, specific knowledge, skills and competences of an appropriate level, which the students will acquire with the successful completion of the course are described.

Consult Appendix A

- *Description of the level of learning outcomes for each qualifications cycle, according to the Qualifications Framework of the European Higher Education Area*
- *Descriptors for Levels 6, 7 & 8 of the European Qualifications Framework for Lifelong Learning and Appendix B*

- *Guidelines for writing Learning Outcomes*

Upon successful completion of the course, students will be able to:
- Distinguish between profitable and unprofitable investment projects.
- Conduct sensitivity analysis after applying the relevant investment appraisal criteria.
- Evaluate projects using software such as Excel.
- Conduct socioeconomic project analysis in addition to financial analysis.
- Assess the option of acquiring equipment through borrowing or long-term leasing.

General Competences

Taking into consideration the general competences that the degree-holder must acquire (as these appear in the Diploma Supplement and appear below), at which of the following does the course aim?

Search for, analysis and synthesis of data and information, with the use of the necessary technology	*Project planning and management*
Adapting to new situations	*Respect for difference and multiculturalism*
Decision-making	*Respect for the natural environment*
Working independently	*Showing social, professional and ethical responsibility and sensitivity to gender issues*
Team work	*Criticism and self-criticism*
Working in an international environment	*Production of free, creative and inductive thinking*
Working in an interdisciplinary environment	*……*
Production of new research ideas	*Others…*
	…….

- *Search for, analysis and synthesis of data and information, with the use of*
- *the necessary technology.*
- *Decision-making.*
- *Working independently.*
- *Criticism and self-criticism.*

SYLLABUS

The course examines the fundamental principles and methods of investment appraisal, with emphasis on the time value of money, discounted cash flows, risk and sensitivity analysis, and the making of specific investment decisions. Particular emphasis will be placed on issues related to the socio-economic appraisal of investment projects. 1. The time value of money. 2. Fisher's investment–consumption model. 3. Discounted cash flow methods: net present value and internal rate of return. 4. Specific investment decisions: equivalent annual cost and equivalent annual net cash flows; purchase or long-term leasing. 5. Break-even analysis and sensitivity analysis. 6. Capital market imperfections. 7. Inflation. 8. Risk: traditional methods of incorporating risk into investment appraisal; expected net cash flows; the Capital Asset Pricing Model. 9. Socio-economic appraisal of investment projects. More specifically, the course is divided into the following sections: **Part A: Decision-Making Under Certainty** Theoretical background of the decision-making process Time value of money Investment decision criteria Cash flow estimation Special investment decisions **Part B: Socioeconomic Appraisal of Investment Projects** Introduction to socioeconomic assessment Public interventions, projects, and policies Efficiency and welfare Consumer surplus Market failures and government interventions Identification & evaluation of cost-benefit elements **Part C: Decision-Making Under Uncertainty** Analysis of alternative uncertain conditions Certainty Equivalent Approach CAPM in capital budgeting and sensitivity analysis

TEACHING and LEARNING METHODS - EVALUATION

DELIVERY *Face-to-face, Distance learning, etc.*	Face-to-face
USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY	• Use of the eClass electronic platform for posting: (a) lecture material, (b) announcements, and (c) exercises, case studies, and relevant articles.

<table>
<tr><td>Use of ICT in teaching, laboratory education, communication with students</td><td>• Use of ICT for lecture delivery (PowerPoint).</td></tr>
<tr><td>TEACHING METHODS
The manner and methods of teaching are described in detail. Lectures, seminars, laboratory practice, fieldwork, study and analysis of bibliography, tutorials, placements, clinical practice, art workshop, interactive teaching, educational visits, project, essay writing, artistic creativity, etc.
The student's study hours for each learning activity are given as well as the hours of non-directed study according to the principles of the
ECTS</td><td>
<table>
<tr><th>Activity</th><th>Semester workload</th></tr>
<tr><td>Lectures</td><td>39</td></tr>
<tr><td>Study and analysis of bibliography</td><td>95</td></tr>
<tr><td>Exercise Solving</td><td>42</td></tr>
<tr><td>Midterm Examination (progress test)</td><td>2</td></tr>
<tr><td>Exams</td><td>2</td></tr>
<tr><td></td><td></td></tr>
<tr><td>Course total</td><td>180</td></tr>
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<tr><td>STUDENT PERFORMANCE EVALUATION
Description of the evaluation procedure

Language of evaluation, methods of evaluation, summative or conclusive, multiple choice questionnaires, short-answer questions, open-ended questions, problem solving, written work, essay/report, oral examination, public presentation, laboratory work, clinical examination of patient, art interpretation, other.
Specifically-defined evaluation criteria are given, and if and where they are accessible to students.</td><td>(1) A compulsory written midterm examination (30%), consisting of multiple-choice questions.

(2) Final written examination (70%), which covers the entire syllabus and includes one section with open-ended questions assessing knowledge, comprehension, and analytical ability, as well as one section of multiplechoice questions.

All the above information is communicated to students at the beginning of the semester through the course’s electronic platform on eClass.</td></tr>
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ATTACHED BIBLIOGRAPHY

Greek-language bibliography

1. Papadamou, S., & Syriopoulos, K. (2015). *Fundamental Principles of Investment Appraisal: A Financial and Socio-economic Approach*. Kallipos, Open Academic Editions.
2. Mergos, G. I. (2007). *Socio-economic Appraisal of Investments and Policies. Volume I: Theory* (2nd ed.). G. Benos Publications (EUDOXUS Code: 112694870).
3. Fotis, P. (2014). *Financial Analysis of Investments: Socio-economic Appraisal of Investment Programmes*. Propompos Publications (EUDOXUS Code: 122076124).
4. Berk, J., DeMarzo, P., & Harford, J. (2024). *Fundamentals of Corporate Finance* (6th ed.). Academic editors: P. Messis, S. Spyrou, & Th. Syriopoulos. Tziola Publications (EUDOXUS Code: 133031143).
5. Noulas, A., & Messis, P. (2024). *Financial Management: Investment and Financing Decisions* (3rd ed.). Tziola Publications (EUDOXUS Code: 133031076).

English-language bibliography

6. Boardman, A. E., Greenberg, D. H., Vining, A. R., & Weimer, D. L. (2018). *Cost–benefit analysis: Concepts and practice* (5th ed.). Cambridge University Press.
7. Lumby, S., & Jones, C. (2000). *Investment appraisal and financial decisions* (6th ed.). Thomson Learning.
8. Mishan, E. J., & Quah, E. (2020). *Cost-benefit analysis* (6th ed.). Routledge.

Related Academic Journals

Journal of Multinational Financial Management
Managerial Finance
Journal of Corporate Finance
Applied Economics
Journal of International Financial Markets, Institutions and Money