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**		

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*	GENERAL BACKGROUND
PREREQUISITE COURSES:	NO
LANGUAGE OF INSTRUCTION and EXAMINATIONS:	GREEK
IS THE COURSE OFFERED TO ERASMUS STUDENTS	YES
COURSE WEBSITE (URL)	http://eclass.uth.gr/

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*

Course Objectives

*The aim of this course is to provide the **necessary theoretical background** in the field of **investment project evaluation** and to compare it with real-world applications and practices in the **modern financial market**. By the end of the course, students will have acquired knowledge on:*

*(a) The **time value of money***

*(b) The **types of investments** and their **evaluation criteria***

*(c) The **key steps** in conducting an investment project evaluation*

*(d) **Sensitivity analysis** in project evaluation*

*(e) The **socioeconomic aspects** of investment policies*

*The achievement of these objectives is facilitated through **solving a significant number of exercises and examples**. Case studies related to **loan decisions and financial leasing** lead to **practical real-world applications**.*

Upon Successful Completion of the Course, Students Will Be Able To:

- *Distinguish between profitable and non-profitable investment projects*
- *Conduct sensitivity analysis after calculations based on investment evaluation criteria*
- *Evaluate investment projects using software such as Excel*
- *Perform not only financial analysis but also socioeconomic analysis of projects*
- *Assess the choice between acquiring equipment through a loan 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…*
	…….

Decision-making

Working in an international environment

SYLLABUS

Course Description The course focuses on investment evaluation methods, with particular emphasis on the socioeconomic assessment of investment policies. The topics covered include: Time value of money Fisher's investment-consumption model Discounted cash flow methods: Net Present Value (NPV) and Internal Rate of Return (IRR) Special investment decisions (Equivalent Annual Cost & Equivalent Annual Net Cash Flows, Buy vs. Long-Term Lease) Break-even analysis and sensitivity analysis Capital market imperfections Inflation Risk: Traditional methods of incorporating risk into investment evaluation, Expected Net Cash Flows, and the Capital Asset Pricing Model (CAPM) Socioeconomic project evaluation (Consumer and Producer Surplus, Shadow Prices vs. Market Prices) **Course Structure** **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 Investment Evaluation** Introduction to socioeconomic assessment Public interventions, projects, and policies Efficiency and welfare Consumer surplus Market limitations 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 e-class electronic platform for posting: (a) Lecture notes,

Use of ICT in teaching, laboratory education, communication with students	(b) Tutorial exercises, (c) Announcements. ¬ Use of specialized statistical software (e.g., Excel Analysis ToolPak, EViews) for conducting descriptive and inferential statistical analysis.
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*	<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>82</td></tr><tr><td>Solving Exercises</td><td>40</td></tr><tr><td>Meetings</td><td>15</td></tr><tr><td>Mandatory 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></table>
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.*	**(1) **Written Mandatory Progress Test (Non-Exemptive) (30%)**** covering the first part of the course, including multiple-choice questions. **(2) **Final Written Semester Examination (70%)**,** covering the entire syllabus, including **knowledge development, comprehension, and analytical questions**, as well as a section with **multiple-choice questions**. All the above information is made available to students at the **beginning of the semester** through the course’s **electronic platform on e-class**.

ATTACHED BIBLIOGRAPHY

Greek Sources

1. *Papadamou, St., Syriopoulos, K. (2016) Basic Principles of Investment Evaluation: Financial and Socioeconomic Approach. Kallipos e-book.*
2. *Brigham, F. Eugene, Houston, F. Joel (2020) Principles of Financial Management. Publisher: Broken Hill Publishers Ltd.*
3. *Mergos, G. (2007) Socioeconomic Evaluation of Investments and Policies. Publisher: Benos, Athens.*
4. *Fotis, Panagiotis (2014) Financial Analysis of Investments. Publisher: Propombos.*
5. *Aravosis, Ath., Karberis, Ath., Sotirchos, An. (2012) Technoeconomic Evaluation of Investments. Publisher: Nomiki Bibliothiki.*
6. *Brealey, Richard, Myers, Stewart, Allen, Franklin (2015) Principles of Corporate Finance. Publisher: Utopia.*
7. *Bodie, Zvi, Kane, Alex, Marcus, Alan J. (2014) Investments. Publisher: Utopia.*
8. *Petrakis, P. (2002) Evaluation and Financial Management: Risk and Investment Valuation, Volume A. Publisher: Sbilias.*

Foreign Sources

1. *Lumby, S. (1993) Investment Appraisal and Financing Decisions. Chapman and Hall.*
2. *Frances Perkins (1994) Practical Cost-Benefit Analysis. Macmillan Education Australia Pty Ltd.*

Related academic journals

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