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**COURSE UNIT (MODULE) DESCRIPTION**

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| **Course unit (module) title** | **Code** |
| **Project Financial management** |  |

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| **Lecturer(s)** | **Department(s) where the course unit (module) is delivered** |
| **Coordinator: Prof. Dr. Arvydas Paškevičius**  **Other(s):** | Vilnius University Business School  Saulėtekio ave. 22, Vilnius |

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| **Study cycle** | **Type of the course unit (module)** |
| Second | Compulsory |

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| **Mode of delivery** | **Period when the course unit (module) is delivered** | **Language(s) of instruction** |
| Face-to-face | Autumn | English |

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| **Requirements for students** | |
| **Prerequisites: none** | **Additional requirements (if any):** |

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| **Course (module) volume in credits** | **Total student’s workload** | **Contact hours** | **Self-study hours** |
| 5 | 130 | 32 | 98 |

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| **Aims of the subject (module): competences to be built by the study programme** | | |
| The objective of this course is to develop Project Management knowledge and practice competences, with particular focus on Project finance as well as social competencies in PM. | | |
| **Intended outcomes of the subject (module)** | **Study methods** | **Assessment methods** |
| Ability to plan the financial activities of corporations and assess the environment . | Problem-based teaching, self-test test solution using Moodle | Test (closed and open-ended tasks / questions), Case study task solution |
| Ability to calculate and forecast the cash flows of the company. | Problem-based teaching, self-test test solution using Moodle |
| Ability to calculate the time value of cash flow of the company. | Problem-based teaching, self-test test solution using Moodle |
| Ability to calculate the net present value by means of a discounted cash flow method | Problem-based teaching, self-test test solution using Moodle |
| Ability to calculate the criteria of the payback time, the discounted payback time, the average book return, the internal profit rate, and the profitability index |
| Ability to establish the income and expenditure of a capital investment project and to present them in the cash flow financial forms | Problem-based teaching, self-test test solution using Moodle |
| Ability to assess the cost-reducing investments and to calculate the minimum tender price |
| Ability to analyse capital investment projects by means of the “what-if“ analysis method and to calculate the accounting and financial breakeven | Problem-based teaching, self-test test solution using Moodle |
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| **Content: breakdown of the topics** | **Contact hours** | | | | | | | **Self-study work: time and assignments** | |
| Lectures | Tutorials | Seminars | Exercises | Laboratory work | Internship/work placement | **Contact hours** | **Self-study hours** | **Assignments** |
| 1. Financial Statements and Cash Flow | 1 |  | 1 |  |  |  | **2** | **6** | Choose a company and assess its financial environment. The results obtained shall be presented in the classroom. |
| 1. Working with Financial Statements and Cash Flow analysis | 1 |  | 1 |  |  |  | **2** | **10** | Calculate the cash flows of the selected company. The results obtained shall be presented in the classroom. |
| 1. The Time Value of Money | 1 |  | 1 |  |  |  | **2** | **10** | Calculate the Future Value, Present Value, Present and Future Values of Multiple Cash Flows; Annuities and Perpetuities; Annual percentage rate and Effective Annual Rate. The results obtained shall be presented in the classroom. |
| 1. Discounted Cash Flow Valuation | 1 |  | 1 |  |  |  | **2** | **16** | Choose a company and assess its feasibility for capital investment. The results obtained shall be presented in the classroom. |
| 1. Net Present Value and Other Investment Criteria | 4 |  | 4 |  |  |  | **8** | **24** | Calculate the net current value of a sample investment project. The results obtained shall be presented in the classroom.  Calculate the indices of payback period, discounted payback period, average accounting rate of return, internal rate of return and the rate of return index.  The results obtained shall be presented in the classroom. |
| 1. Making Capital Investment Decisions | 4 |  | 4 |  |  |  | **8** | **24** | Draw up the tables for the cash flow calculations of a capital investment project. The results obtained shall be presented in the classroom.  Calculate the net current value of a sample investment project. The results obtained shall be presented in the classroom. |
| 1. Project Analysis and Evaluation | 4 |  | 4 |  |  |  | **8** | **18** | Develop a pessimistic, most probable and optimistic scenarios of the sample investment project, also to calculate the accounting and financial “break-even” points. The results obtained shall be presented in the classroom. |
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| **Total** | **16** |  | **16** |  |  |  | **32** | **98** |  |

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| Assessment strategy | **Weight,%** | **Deadline** | **Assessment criteria** |
| Problem solutions at seminars | 15% | During the course | 1,5 points: active participation in doing assignments, with an average grade of 10 for their completion.  Less than 1,5 points: the average grade for the completed assignments is less than 10.  0 points: non-participation in doing assignments. |
| Case study task solution | 35% | During the course | 3,5 points: the presentation is assessed by 10 points.  Less than 3,5 points: the presentation is assessed by less than 10 points, and the grade is multiplied by 0,35.  0 points: there was no presentation. |
| Examination | 50% | At the end of the course | Examination shall be taken by electronic means at the Examination center. Students are required to solve tasks presented in the test. The grade of the examination is multiplied by 0.5 and shall be added to the final result. |

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| **Author** | **Year of publication** | **Title** | **Issue of a periodical**  **or volume of a publication** | **Publishing place and house**  **or web link** |
| **Compulsory reading** | | | | |
| Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan, | 2009 | Fundamentals of Corporate Finance, |  | McGraw-Hill |
| Edited by W.Carl Kester, Richard S. Ruback, Peter Tufano. | 2005 | Case Problems in Finance / |  |  |
|  | 2008 | A Guide to the Project Management Body of Knowledge (PMBOK Guide) |  | PMI |
| **Optional reading** | | | | |
|  | 2006 | Mastering Financial modeling in Microsoft Excel. |  |  |
| Stefano Gatti, | 2008 | Project Finance in Theory and Practice, |  | Academic Press |