

Project's finance

1. Chapter 1 - Introduction of project finance

Literacy: E R Yescombe., Principles of Project Finance, Edition: 2nd, Isbn: 978-0-12-391058-5.
Publisher: Academic Press / Elsevier

2. Chapter 2 - Global and macro-economy analysis in project finance

Learning objectives:

LO-1 Predict the effect of exchange rates as well as monetary, fiscal, and supply-side policies on business conditions.

LO-2 Use leading, coincident, and lagging economic indicators to describe and predict the economy's path through the business cycle.

LO-3 Predict which industries will be more or less sensitive to business-cycle fluctuations.

LO-4 Analyze the effect of industry life cycles and competitive structure on earnings prospects.

- The Global Economy
- The Domestic Macroeconomy
- Gross Domestic Product
- Employment
- Inflation
- Interest Rates
- Budget Deficit
- Sentiment
- Interest Rates
- Demand and Supply Shocks
- Federal Government Policy
- Fiscal Policy
- Monetary Policy
- Supply-Side Policies

Literacy: Zvi Bodie, Alex Kane, Alan J. Marcus (2012). Essentials of Investments, 9th Edition, The McGraw-Hill/Irwin, USA.

3. Chapter 3 - Business cycles and sector rotations

Learning objectives:

LO-1 Predict the effect of exchange rates as well as monetary, fiscal, and supply-side policies on business conditions.

LO-2 Use leading, coincident, and lagging economic indicators to describe and predict the economy's path through the business cycle.

LO-3 Predict which industries will be more or less sensitive to business-cycle fluctuations.

LO-4 Analyze the effect of industry life cycles and competitive structure on earnings prospects.

- The Business Cycle
- Economic Indicators
- Other Indicators
- Industry Analysis
- Defining an Industry
- Sensitivity to the Business Cycle
- Sector Rotation
- Industry Life Cycles
- Industry Structure and Performance

Literacy: Zvi Bodie, Alex Kane, Alan J. Marcus (2012). Essentials of Investments, 9th Edition, The McGraw-Hill/Irwin, USA.

4. Chapter 4 - Financial statements and profitability measures

Learning objectives:

LO-1 interprets a firm's income statement, balance sheet, and statement of cash flows, and calculate standard measures of a firm's operating efficiency, leverage, and liquidity.

LO-2 Calculate and interpret performance measures such as economic value added and rates of return on assets, capital, and equity.

LO-3 Use ratio decomposition analysis to show how profitability depends on efficient use of assets, profit margin, and leverage.

LO-4 Identify possible sources of biases in conventional accounting data.

- The Major Financial Statements
- The Income Statement
- The Balance Sheet
- The Statement of Cash Flows
- Measuring Firm Performance
- Profitability Measures
- Return on Assets
- Return on Capital
- Return on Equity
- Financial Leverage and ROE
- Economic Value Added

Literacy: Zvi Bodie, Alex Kane, Alan J. Marcus (2012). Essentials of Investments, 9th Edition, The McGraw-Hill/Irwin, USA.

5. Chapter 5 - Ratio analysis

Learning objectives:

LO-1 Interpret a firm's income statement, balance sheet, and statement of cash flows, and calculate standard measures of a firm's operating efficiency, leverage, and liquidity.

LO-2 Calculate and interpret performance measures such as economic value added and rates of return on assets, capital, and equity.

LO-3 Use ratio decomposition analysis to show how profitability depends on efficient use of assets, profit margin, and leverage.

LO-4 Identify possible sources of biases in conventional accounting data.

- Decomposition of ROE
- Turnover and Asset Utilization
- Liquidity Ratios
- Market Price Ratios
- Choosing a Benchmark
- Comparability Problems
- Inventory Valuation
- Inflation and Interest Expense
- Fair Value Accounting
- Quality of Earnings and Accounting Practices
- International Accounting Conventions
- Value Investing: The Graham Technique

Literacy: Zvi Bodie, Alex Kane, Alan J. Marcus (2012). Essentials of Investments, 9th Edition, The McGraw-Hill/Irwin, USA.

6. Chapter 6 - Project with fix assets, prices and yields

Learning objectives:

LO-1 Compute a bond's price given its yield to maturity, and compute its yield to maturity given its price.

LO-2 Calculate how bond prices will change over time for a given interest rate projection.

- Yield to Maturity
- Yield to Call
- Realized Compound Return versus Yield to Maturity

Literacy: Zvi Bodie, Alex Kane, Alan J. Marcus (2012). Essentials of Investments, 9th Edition, The McGraw-Hill/Irwin, USA.

7. Chapter 7 - Analysis and assessment of dividend policy

Learning objectives:

LO-1 Use financial statements and market comparables to estimate firm value.

LO-2 Calculate the intrinsic value of a firm using either a constant-growth or multistage dividend discount model.

LO-3 Assess the growth prospects of a firm, and relate growth opportunities to the P/E ratio.

LO-4 Value a firm using free cash flow models.

- Valuation by Comparables
- Limitations of Book Value
- Intrinsic Value versus Market Price
- Dividend Discount Models
- The Constant-Growth DDM
- Stock Prices and Investment
- Opportunities
- Life Cycles and Multistage Growth Models
- Multistage Growth Models
- Price–Earnings Ratios
- The Price–Earnings Ratio and Growth
- Opportunities
- P/E Ratios and Stock Risk

Literacy: Zvi Bodie, Alex Kane, Alan J. Marcus (2012). Essentials of Investments, 9th Edition, The McGraw-Hill/Irwin, USA.

8. Chapter 8 - Returns on project assessment

Learning objectives:

L-1 Compute various measures of return on multi-year investments.

L-2 Determine the expected return and risk of portfolios that are constructed by combining risky assets with risk-free investments in Treasury bills.

- Rates of Return
- Measuring Investment Returns over Multiple Periods
- Conventions for Annualizing Rates of Return
- Scenario Analysis and Probability Distributions
- The Normal Distribution
- Normality over Time

Literacy: Zvi Bodie, Alex Kane, Alan J. Marcus (2012). Essentials of Investments, 9th Edition, The McGraw-Hill/Irwin, USA.

9. Chapter 9 - Project investment and market risk

Learning objectives:

LO-1 Show how covariance and correlation affect the power of diversification to reduce risk.

LO-2 Calculate mean, variance, and covariance using either historical data or scenario analysis.

- Risk and Risk Premiums
- Using Time Series of Return
- Inflation and Real Rates of Return
- Covariance and Correlation

Literacy: Zvi Bodie, Alex Kane, Alan J. Marcus (2012). Essentials of Investments, 9th Edition, The McGraw-Hill/Irwin, USA.

Literacy:

1. Bodie, Zvi. Essentials of investments / Zvi Bodie, Alex Kane, Alan J. Marcus.—9th ed. (2013), ISBN 978-0-07-803469-5 (alk. paper), ISBN 0-07-803469-8 (alk. paper)

2. E R Yescombe., Principles of Project Finance, Edition: 2nd, Isbn: 978-0-12-391058-5. Publisher: Academic Press / Elsevier

Project's finance assessment criteria

Final grade = homework (case study) 40% and project (exam) 60%

Homework (case study) = written research 60% + online presentation 40% (Microsoft Teams)

Exam (project) = written research 70% + online presentation 30% (Microsoft Teams)