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**DEPARTMENT OF MANAGEMENT STUDIES** 

**COURSE NAME : 19BA201 FINANCIAL MANAGEMENT** 

**I YEAR / II SEMESTER** 

**UNIT 2 - INVESTMENT DECISIONS** 





## FINANCIAL APPRAISAL

### FINANCIAL ANALYSIS OF BUSINESS OR PROJECT



# THE CASH FLOW IN THE FINANCIAL ANALYSIS



### ✓ CASH-INFLOW & CASH-OUTFLOW









### CASH INFLOW





### CASH OUTFLOW





## FINANCIAL ANALYSIS

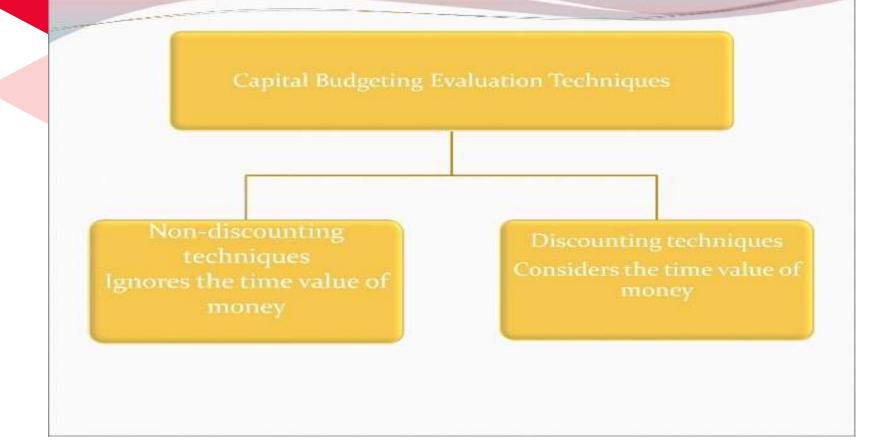
### **IMP**ORTANT THINGS

Project Life
Capital Costs
Operating Costs
Treatment of Taxes
Project Benefits
Net Benefits





## FINANCIAL EVALUATION TECHNIQUES



Cost



# FINANCIAL EVALUATION TECHNIQUES



#### Capital budgeting techniques

#### Non-Discounted Or traditional techniques

Payback period

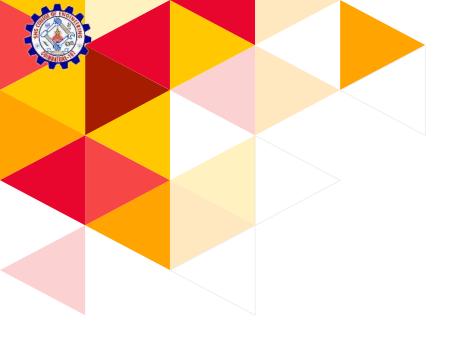
Accounting Rate of Return (ARR)

#### Discounted techniques

Net Present Value (NPV)

Internal Rate of Return (IRR)

Profitability Index (PI)





# Thank You

05.05.2021 Investment Decisions /19BA201, Financial Management /Mr.M.RAMANATHAN/MBA/SNSCE

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