Practice 14 Follow-up

Investment appraisal (P. 143 ACCA FM BOOK )

1. Investment and the capital budgeting process
2. Relevant cash flows
3. Payback period
4. Return on capital employed

Investment appraisal using DCF methods (P. 159 ACCA FM BOOK )

1 Discounted cash flow

2 The net present value method

3 The internal rate of return method

4 NPV and IRR compared

5 Assessment of DCF methods of project appraisal