QUEST
Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1438

Capital Budgeting & Investment Decision Making Training Course

BUDGETING, FORECASTING & COST MANAGEMENT
FINANCE, INVESTMENT & BANKING

DURATION
5 Days

DELIVERY
Classroom

Course Overview

The Capital Budgeting & Investment Decision Making Training Course provides an advanced and practical framework for evaluating capital investments, assessing project feasibility, allocating financial resources, and making disciplined investment decisions that support long-term organizational performance. The course integrates financial analysis, investment appraisal, risk assessment, strategic alignment, and capital allocation to help professionals evaluate whether proposed investments are financially attractive, strategically appropriate, and sustainable.

Capital investment decisions are among the most significant financial decisions made by organizations because they often involve substantial resources, long-term commitments, and uncertainty surrounding future cash flows. Effective capital budgeting requires more than calculating a single financial return measure. Decision makers must understand the underlying business assumptions, estimate relevant cash flows, assess funding requirements, evaluate risks, compare competing projects, and determine how proposed investments contribute to organizational strategy and value creation.

The program provides comprehensive coverage of capital budgeting techniques, including time value of money, relevant cash flow analysis, net present value, internal rate of return, modified internal rate of return, payback period, discounted payback period, profitability index, cost of capital, sensitivity analysis, scenario analysis, and stress testing. Participants will also examine how to identify incremental cash flows, account for working capital requirements, incorporate taxes and inflation, and evaluate terminal values while avoiding common analytical errors.

The course also addresses investment decision making under conditions of uncertainty, limited capital availability, changing market conditions, and competing strategic priorities. Participants will learn how to rank investment proposals, assess mutually exclusive projects, compare projects with different economic lives, evaluate financing alternatives, and integrate financial and non-financial considerations into investment recommendations. Particular attention is given to the relationship between capital budgeting, capital structure, liquidity, risk management, and long-term organizational strategy.

Through project appraisal exercises, financial calculations, scenario analysis, investment case studies, and executive decision-making workshops, the Capital Budgeting & Investment Decision Making Training Course develops practical capabilities that can be applied across corporate finance, treasury, investment, project management, strategic planning, and capital allocation functions. The program is suitable for government entities, ministries, public sector organizations, banks, financial institutions, oil and gas companies, infrastructure organizations, and large corporations.

Objectives

- Analyze the principles and processes of capital budgeting and their role in financial planning and capital allocation during the course.
- Develop structured approaches for identifying, screening, and evaluating capital investment opportunities.
- Evaluate relevant project cash flows, including initial investment, working capital, operating cash flows, and terminal values.
- Apply net present value, internal rate of return, modified internal rate of return, payback period, discounted payback period, and profitability index techniques.
- Assess the cost of capital and determine appropriate discount rates for investment appraisal.
- Evaluate the impact of taxation, inflation, interest rates, operating costs, revenues, and financing assumptions on project viability.
- Design practical frameworks for ranking competing capital projects under financial and resource constraints.
- Apply sensitivity analysis, scenario analysis, and stress testing to measure investment risk and uncertainty.
- Evaluate investment projects with different economic lives, cash flow patterns, strategic objectives, and risk profiles.
- Improve the quality of investment recommendations by integrating financial, strategic, operational, and risk considerations.
- Develop practical approaches for reviewing project performance after approval and comparing actual results with original assumptions.
- Align capital budgeting decisions with corporate strategy, financing capacity, capital structure, liquidity, and long-term value creation.

Who Should Attend

This course is designed for professionals working in corporate finance, financial planning, investment, treasury, project management, management accounting, corporate development, strategy, and capital investment functions. It is particularly relevant to Investment Managers, Financial Planning Managers, Budget Managers, Financial Analysts, Project Managers, Treasury Managers, Management Accountants, Business Development Professionals, Risk Managers, and specialists responsible for evaluating capital expenditure and investment proposals.

The program is also suitable for Chief Financial Officers, Finance Directors, Heads of Investment, Heads of Planning, Capital Investment Directors, Business Unit Leaders, Investment Committee Members, and senior decision makers responsible for capital allocation, project financing, investment prioritization, and strategic growth. Professionals working in government entities, ministries, public sector organizations, banks, financial institutions, oil and gas companies, energy organizations, infrastructure projects, and large corporations can benefit from the financial and strategic frameworks covered in the course.

The course is particularly valuable for professionals involved in feasibility studies, investment appraisal, project evaluation, capital expenditure planning, financing decisions, business cases, strategic investment reviews, and post-investment performance assessment. Internal audit, risk management, governance, and strategic planning professionals can also benefit from understanding the financial methodologies used to evaluate major capital investment decisions.

Learning Outcomes

- Explain the capital budgeting cycle and its relationship with corporate strategy, financial planning, and capital allocation.
- Identify relevant and incremental cash flows for capital investment decisions.
- Build project cash flow forecasts incorporating initial investment, operating cash flows, working capital, taxes, and terminal values.
- Apply net present value, internal rate of return, modified internal rate of return, payback period, discounted payback period, and profitability index.
- Calculate and interpret cost of capital and assess its effect on investment attractiveness.
- Compare competing investment projects and prioritize them based on value, risk, strategic importance, and available resources.

- Apply sensitivity analysis and scenario analysis to evaluate changes in key project assumptions.
- Conduct stress testing to assess project resilience under adverse financial and operational conditions.
- Evaluate projects with different economic lives and alternative cash flow structures.
- Integrate financial, strategic, operational, and risk considerations into investment recommendations.
- Prepare clear investment evaluation reports for senior management and investment committees.
- Develop post-investment review frameworks for measuring project performance against approved assumptions and expected value.

Course Outline

DAY 01

Capital Budgeting Foundations and Strategic Investment Planning

- Role of capital budgeting in corporate finance and strategic planning
- Capital expenditure compared with operating expenditure
- Capital investment lifecycle from opportunity identification through approval, implementation, and review
- Types of capital projects and their financial, operational, and strategic objectives
- Identifying investment objectives and evaluation criteria
- Developing project assumptions and estimating initial investment requirements
- Linking capital budgets with corporate strategy and operational plans
- Roles of finance, project management, business units, senior management, and investment committees

PRACTICAL APPLICATION

Develop an initial capital investment evaluation framework for a proposed project

DAY 02

Cash Flow Analysis and Project Investment Appraisal

- Identifying relevant and incremental project cash flows
- Initial investment requirements and implementation costs
- Operating revenues, operating costs, and expected project cash flows
- Working capital requirements and their impact on project cash generation
- Terminal value and end-of-project cash flows
- Taxation, inflation, and other financial considerations affecting project cash flows
- Time value of money and discounted cash flow principles
- Net present value and internal rate of return
- Modified internal rate of return, payback period, discounted payback period, and profitability index

PRACTICAL APPLICATION

Build the projected cash flows for an investment project and calculate the principal investment appraisal measures

DAY 03

Cost of Capital and Capital Allocation Decisions

- Understanding the cost of capital and its role in investment decision making
- Cost of debt and cost of equity
- Weighted average cost of capital
- Determining appropriate discount rates for different investment opportunities
- Relationship between project risk, required return, and cost of capital
- Comparing independent and mutually exclusive projects
- Capital rationing and investment decisions under resource constraints
- Ranking projects and developing capital allocation priorities
- Financing alternatives and their impact on project economics and capital structure

DAY 03 — CONTINUED

> **PRACTICAL APPLICATION**
>
> Evaluate multiple competing projects and recommend an investment portfolio based on value, risk, and funding constraints

DAY 04

Investment Risk, Uncertainty and Scenario Analysis

- Sources of risk in capital investment projects
- Sensitivity analysis for key project variables
- Development of base, upside, and downside scenarios
- Stress testing capital investment proposals
- Impact of changes in revenue, operating costs, interest rates, inflation, demand, and financing assumptions
- Operational, market, financial, execution, and regulatory risks
- Evaluating projects with different economic lives
- Comparing investment alternatives based on risk-adjusted value
- Decision making under incomplete or uncertain information

> **PRACTICAL APPLICATION**
>
> Conduct a comprehensive investment risk assessment using sensitivity analysis, scenario analysis, and stress testing

DAY 05

Advanced Investment Decision Making and Value Creation

- Integrating financial evaluation with strategic and operational considerations
- Preparing investment proposals and financial business cases for senior management
- Decision-making frameworks for investment committees
- Reviewing project assumptions, financial models, and appraisal methodologies
- Post-approval monitoring of capital projects and investment performance
- Comparing actual project results with approved forecasts and assumptions

DAY 05 — CONTINUED

- Measuring realized returns, financial benefits, and value creation
- Reassessing investment decisions when market or operating conditions change
- Developing consistent capital investment approval and governance frameworks

> **FINAL WORKSHOP**
>
> Develop and present a complete capital investment case covering projected cash flows, investment appraisal, net present value, internal rate of return, cost of capital, risk analysis, scenarios, project prioritization, funding considerations, and executive investment recommendations

Register or Request More Information

Course page: https://quest-training.com/courses/capital-budgeting-investment-decision-making-training-course
Website: https://quest-training.com
Email: info@quest-training.com
Phone: +905016771440