PROJECT APPRAISAL: FINANCIAL AND ECONOMIC FACTORS



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TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
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Introduction

Project Appraisal: Financial and Economic Factors Training Course teaches professionals to judge a capital project on both commercial and national grounds. Participants learn to build a financial appraisal that tests profitability for the investor, and an economic appraisal that tests value to society. The programme covers cash flow forecasting, discounting, NPV and IRR, cost-benefit analysis, shadow pricing, risk analysis and sensitivity testing. Furthermore, it addresses financing options, affordability and the presentation of appraisal findings to decision makers. As a result, delegates can produce an appraisal that answers both commercial and public interest questions. Gentex Training Center delivers the programme through Excel workshops and applied project case work.

Project Appraisal: Financial and Economic Factors Course Objectives

- Build financial and economic appraisal models for capital projects.
- Forecast project costs, revenues and cash flows with tested assumptions.
- Apply discounting and NPV, IRR, payback and profitability index.
- Apply cost-benefit analysis with economic and social valuation.
- Use shadow pricing and economic internal rate of return in appraisal.
- Apply willingness-to-pay and non-market valuation techniques.
- Test appraisal results with sensitivity, scenario and Monte Carlo analysis.
- Assess financing options, affordability and fiscal impact.
- Evaluate environmental, social and distributional effects.
- Present appraisal findings and recommendations to decision makers.

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Course Methodology

The course combines technical briefings with hands-on Excel workshops and applied appraisal case studies. Participants build a financial appraisal model, run an economic cost-benefit analysis and test results under uncertainty. In addition, structured peer review and case discussion sharpen judgement, and each day closes with an applied appraisal task.

Who Should Take This Course

- Investment analysts and appraisal professionals.
- Public sector planning, budget and appraisal officers.
- Project finance and infrastructure specialists.
- Economists and cost-benefit analysis practitioners.
- Development bank and donor agency staff.
- Consultants, engineers and advisers supporting project approval.

Project Appraisal: Financial and Economic Factors Course Outlines

Day 1: Appraisal Framework and Project Definition

- Appraisal purpose, stages and decision gateways.
- Project definition, options and scope setting.
- Forecast horizons, price bases and real versus nominal terms.
- Capital and operating cost estimation with contingency.
- Demand, output and utilisation forecasting.
- Treatment of inflation, escalation and exchange rates.

- Workshop: defining an appraisal framework for a sample project.

Day 2: Financial Appraisal and Investment Criteria

- Cash flow construction and relevant cash flow rules.
- Discounting and choice of discount rate.
- NPV, IRR, MIRR, payback and profitability index.
- Handling sunk costs, opportunity costs and taxation.
- Financing options: debt, equity and grant funding.
- Affordability and fiscal impact assessment.
- Workshop: building a financial appraisal model in Excel.

Day 3: Economic Appraisal and Cost-Benefit Analysis

- Financial versus economic appraisal perspectives.
- Economic benefits and costs and transfer payments.
- Shadow pricing, conversion factors and economic internal rate of return.
- Willingness-to-pay and non-market valuation methods.
- Distributional analysis and stakeholder impact.
- Environmental and social impact valuation.
- Workshop: running economic cost-benefit analysis on a project.

Day 4: Risk, Uncertainty and Sensitivity Analysis

- Identifying and categorising project risks.
- Sensitivity analysis and switching values.
- Scenario analysis and probability-weighted outcomes.
- Monte Carlo simulation and confidence intervals.

- Optimism bias, contingency and risk allowances.
- Risk mitigation and appraisal adjustment.
- Workshop: testing an appraisal model under uncertainty.

Day 5: Appraisal Reporting and Decision Presentation

- Structuring the appraisal report and business case.
- Presenting financial and economic results side by side.
- Assumptions registers, documentation and model audit.
- Peer review and quality assurance of appraisals.
- Post-project evaluation and benefit realisation.
- Presenting an appraisal recommendation under challenge.
- Workshop: presenting a full appraisal to a review panel.

Conclusion

By successfully completing Project Appraisal: Financial and Economic Factors Training Course, participants will have acquired the knowledge to appraise capital projects from both the financial and the economic viewpoint. They will understand cash flow forecasting, discounting and investment criteria, cost-benefit analysis, shadow pricing, risk testing and affordability assessment, and they will know how to present evidence-based appraisal findings. As a result, delegates support project approval decisions with stronger analysis. Gentex Training Center builds the programme around current appraisal practice.

FAQs for the Project Appraisal: Financial and Economic Factors course

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Q1 What is the "Project Appraisal: Financial and Economic Factors" course about?

It teaches how to appraise capital projects on financial and economic grounds. You learn cost and demand forecasting, discounting with NPV and IRR, cost-benefit analysis and shadow pricing, risk and sensitivity testing, and how to present appraisal findings to decision makers.

Q2 What are the key benefits of the "Project Appraisal: Financial and Economic Factors" course?

You gain one appraisal that answers both the investor's profitability question and the public interest question, rather than two disconnected analyses. You also improve forecast discipline, test results against uncertainty, assess affordability properly, and present recommendations that survive peer review.

Q3 What skills will I gain from the "Project Appraisal: Financial and Economic Factors" course?

You will gain financial and economic appraisal modelling, project cost and demand forecasting, investment appraisal and cost-benefit analysis with shadow pricing, and risk, sensitivity and affordability analysis for capital projects.

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Q4 What tools, methods, or standards are covered in the "Project Appraisal: Financial and Economic Factors" course?

The course covers appraisal gateways and business case frameworks, real versus nominal cash flow and escalation treatment, NPV, IRR, MIRR, payback and profitability index appraisal, discount rate selection, economic internal rate of return and shadow pricing with conversion factors, willingness-to-pay and non-market valuation methods, distributional analysis, sensitivity analysis and switching values, scenario analysis, Monte Carlo simulation, optimism bias adjustment, and assumptions registers and model audit documentation.

Q5 How is the "Project Appraisal: Financial and Economic Factors" course applied in real-world practice?

Graduates apply it to prepare financial and economic appraisals for approval, forecast costs and demand, discount project cash flows, run cost-benefit analysis with shadow prices, test results under uncertainty, assess affordability and fiscal impact, support business cases and funding submissions, and prepare post-project evaluations of realised benefits.