



Course Description - **Investment activity**

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Overview

Successful management and sustainability of enterprises in a competitive environment largely depends on efficient investment. Investments are all kinds of financial, material, intellectual values within the country or abroad in various branches, programs, separate measures aimed at getting profit, development of production, entrepreneurship or achieving other results.

Course Objectives

- mastering the modern terminology of investment activities;
- mastering of the tools, allowing to estimate efficiency of investment activity of enterprises and organizations;
- study of methods and means to achieve success in the market conditions;
- study of methods of organization of investment activity of the enterprises of Belarus and foreign countries.

Course Duration

Lectures:	34 hours
Practical works:	16 hours
<u>Student's independent work:</u>	<u>36 hours</u>
Total:	86 hours

Prerequisites

Economics of enterprises, Fundamentals of competitiveness.

Syllabus

Lectures

Lecture 1

Investment activity, the concept and definition.

Concepts and definitions of investment. The objective of the discipline "Investment activity". Difference of investment activities from capital expenditure. Classification of objects of investments. Classification of long-term investments. The relationship of the real and portfolio investment.

Lecture 2

The investment cycle, its structure and content.

Stages of the investment cycle. Pre-investment stage of the investment cycle. Preliminary stage for the project. Pre-feasibility study of the investment project. The investment stage of the investment cycle. Investment projects examination: state, departmental and non-departmental.

Lecture 3

Investment policy in the modern world.

The concept of investment policy. Features of investment policy of the various countries and regions of the world. The model of reforming the economy: industrial post-socialist, Latino American, African, the model of agrarian countries of Asia. Foreign investments. Factors of successful economic development. Factors contributing to attract foreign investments.

Lecture 4

The methods and sources of investment financing.

Financing of investments (fixed and working capital). Forms of financing of the investment projects: equity, budget, leasing, debt financing, mortgage, financing investment through its own funds.

Lecture 5

The role of depreciation in the investment process.

The concept of amortization. Physical wear. Moral wear of the 1st and 2nd forms. Depreciation types. Conditions of use of accelerated depreciation methods.

Lecture 6

Methods of assessment of economic efficiency of investments.

Determination methods of economic efficiency evaluation of investment projects. Criteria of estimation of efficiency of investments: financial, economic, regulatory, resource. The concept of discounting. Methods of determination of efficiency of investments: the net present value, the index of profitability of investments, the internal rate of return of the investment, the payback period of the investment.

Lecture 7

Estimated cost of construction and composition of the total costs of the investment project.

The concept of the estimated cost of construction. The source data for compiling estimates. Structure of the consolidated budget calculation. The total costs of the investment project. Costs are not foreseen by estimations.

Lecture 8

Investment institutions.

The concept of investment institutions. Responsibilities of investment activity entities. Holding companies, financial-industrial groups, financial companies, investment companies, investment funds, investment banks. Foreign investment institutions.

Practical works

Practical work №1 The net present value.

Practical work №2 The profitability Index of the investment.

Practical work №3 The Internal rate of return of the investment.

Practical work №4 The payback period of the investment.

Practical work №5 Composition of the investment portfolio.

Practical work № 6 Determination of the effectiveness of the investment under uncertainty.

Evaluation

Evaluation Item	Number of Times	Evaluation Proportion, %	Remarks
attendance		20%	At least 80% of the classes compulsory
midterm exam			
final exam		10%	At the end of the course
final report	1	10%	At the end of the course
test			
presentation	1	10%	At the beginning of the course as a part of practical task
discussion	8	20%	Every practical class
homework	6	10%	
practice task	8	20%	All the practice tasks should be completed