Part 1: Select a threshold concept and write the 'what students know', 'what they dont know', 'principles'.

a threshold concept- Capital Budgeting

'what students know- Concept and very important decision for the management

what they dont know- Techniques to evaluate the project

Principle- Cash flow principle and cost of capital principle

Part 2: Generate the case study using the prompt like we did in the sessions

Case Study Title: “CineBuzz+: A Student-Run Streaming Platform”

A group of young entrepreneurs from a university plans to launch a niche OTT (streaming) platform, CineBuzz+, targeting regional indie films and student-made short films. They seek to evaluate whether the project is financially viable.

Background Information:

Initial Investment (Setup, Licensing, App Development): ₹30 lakhs

Expected Life: 5 years

Expected Subscribers: 5,000 in Year 1, growing by 20% annually

Monthly Subscription Fee: ₹120

Annual Operating Cost: ₹8 lakhs (increasing by 5% annually)

Residual Value after 5 years: ₹2 lakhs (from app and equipment resale)

Discount Rate / Cost of Capital: 12%

Cash Flow Estimates (for calculation):

Revenue = Subscribers × ₹120 × 12 months

Operating Cash Flow = Revenue - Operating Cost

Net Cash Flow = Operating Cash Flow (assume no taxes, for simplicity)

Tasks using Bloom’s Taxonomy:

1. Remember (Recall Facts)

Q: What is capital budgeting? List three techniques used for project evaluation.

2. Understand (Explain Concepts)

Q: Explain why cash flow, and not accounting profit, is used in capital budgeting decisions.

3. Apply (Use Knowledge)

Q: Using the data, calculate the expected cash inflows for the next 5 years.

4. Analyze (Break Down Information)

Q: Identify and separate fixed and variable costs in the project. How do they impact the cash flow?

5. Evaluate (Make Judgements)

Q: Using NPV and IRR methods, should the CineBuzz+ project be accepted? Why or why not?

6. Create (Develop New Ideas)

Q: Suggest two ways to improve the project’s viability or reduce the cost of capital.

Techniques to Introduce:

Net Present Value (NPV)

Internal Rate of Return (IRR)

Payback Period

Profitability Index

Student Engagement Tips:

Group Activity: Break the class into teams and simulate an “investment committee.” Let them present their project evaluation.

Tech Integration: Use Excel or Google Sheets for NPV/IRR calculation to make it hands-on.

Realism: Let students suggest real-life subscription models (e.g., freemium, ad-supported).

Part 3: Generate the reflection questions for evaluation and write/ map to suitable learning outcomes.

1. How did you use cash flow and cost of capital principles to decide whether CineBuzz+ should be launched?

2. What factors had the biggest impact on the project's NPV and IRR? How would changing one of those factors affect your recommendation?

3. If you were an investor, would you fund CineBuzz+? Why or why not? What additional information would you need before making a final decision?