**Assessment Brief**

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| **Academic year and term:** | 2024/25 |
| **Module title:** | Strategic Investment Appraisal |
| **Type of assessment:** | Project appraisal report |
| **Assessment deadline:** | Formative (task 1): 18/11/24  Summative (project appraisal report) TBC |

**Instructions for assessment**

The assessment is an individual **project appraisal report**. The project is a recent business takeover or merger to be investigated in detail. The report should be **3,000 words plus appendices containing slides, spreadsheet analysis and learning logs**.

A **business case** should be made to justify the takeover bid. Your **report** should contain:

1. Present **ONE** of (2 power-point slides appended to your report) **15 marks**
   1. strategic/market (competitor) analysis (rationale for takeover)
   2. preliminary financial analysis, stating the assumptions required to value the target company using DCF analysis (revenue growth, profit margin, cost of capital etc.)
2. A **business valuation**, based on recent financial performance, calculate the equity value of the target company to justify the bid price offered by bidder. Explain your methods and **justify your assumptions** for forecast performance under new ownership. You should append 2 screenshots from a spreadsheet model (results & formulae) to your report – **30 marks**
3. **What if?** Identify a possible rival bidder (usually from the same sector). Explainwhy the rival bidder may have made different assumptions in their **business valuation** and hence a different bid price – **15 marks**
4. **Write a** **critique** of business valuation methods and relevant research, explaining why any anticipated bidder gains may not come to fruition, especially given the possible economic crisis (e.g. Covid-19). Refer to relevant research and cite journal articles to support your discussion – **15 marks**
5. A **learning (b)log** (using the template provided) to reflect on what you have learnt from each session (at least 8), including reference to Moodle materials, showing how you have applied this learning to the assessment task, to be appended to your report – **15 marks**
6. A supporting **bibliography** and professional style of report (presentation) – **10 marks**

**Structure and presentation**

The individual report should be 3000 words plus references and appendices. The report must be a word document, but you are expected to use a spreadsheet for the financial analysis. You should submit screenshots of your spreadsheet results view and formulae view in an appendix.

Any written work should be spell-checked and a contents page should be included. Do not use various font sizes and colours Black ink, Arial, size 11, 1.5 lines spaced is recommended. Use DIN A4 format and page margins of 2.5 cm or 1 inch.

**Reading list**

**Essential Reading**

**Alkaraan F. & Northcott D. (2013).** “Strategic investment decision-making processes: The influence of contextual factors”. *Meditari Accountancy Research*, 21(2) pp., 117–-143.

**Elmassri, M. M., Harris, E. P., & and Carter, D. B. (2016)** “Accounting for strategic investment decision-making under extreme uncertainty”**,** . *British Accounting Review*, 48(2) pp.: 151–-168.

**Emmanuel, C., Harris, E., & and Komakech, S., (2010**) “Towards a better understanding of capital investment decisions”, . *Journal of Accounting and Organizational Change*, 6(4) pp.: 477–-504.

**Goetze, U., Northcott, D., & Schuster, P. (2015)** *Investment Appraisal Methods.* (2nd ed.) Frankfurt: Kluwer Academic Publishers and Springer.

**Harris, E. (2009)** Strategic Project Risk Appraisal and Management, Farnham, Gower.

**Harris, E., Emmanuel, C., & Komakech, S. (2009**) *Managerial Judgement and Strategic Investment Decisions*. Oxford: Elsevier.

**Harris, E. & El-Massri, M. (2011)** Capital investment appraisal. In: Abdel-Kader, M. (ed.) *Review of Management Accounting Research***.** London: Palgrave. pp. 343–377.

**Harris, E.P., Northcott, D., Elmassri, M.M., & Huikku, J. (2016)** Theorising strategic investment decision-making using strong structuration theory. *Accounting, Auditing & Accountability Journal* 29(7) pp. 1177–1203.

**Institute of Chartered Accountants in England and Wales (2009),** *Investment Appraisal, Finance and Management special report.* SR27., London: ICAEW.

**Recommended Reading**

**Bebbington, J. (2007)** *Accounting for Sustainable Development Performance*. Oxford: Elsevier.

**Thomas, M.P. & McElroy, M.W. (2016)** *The MultiCapital Scorecard: Rethinking Organizational Performance*. Vermont: Chelsea Green Publishing.

**Haka, S.F. (2007)** A review of the literature on capital budgeting and investment appraisal: Past present and future musings. In: Chapman, C., Hopwood, A., & Shields, M. (eds.) *Handbook of Management Accounting Research*, Vol. 2. Amsterdam: Elsevier. pp. 697–728.

**Harris, E (2014)** Feel the risk: Strategic investment decisions in an uncertain world. In: Otley, D. & Soin, K. (eds) *Management Control and Uncertainty*. Basingstoke: Palgrave Macmillan. pp. 162–177.

**Harris, E. (2011).** *Project Management: Finance & Management special report.* SR33, ICAEW.

**Further reading  
Busco, C., Frigo, M.L., Quattrone, P., & Riccaboni, A. (2013)** *Integrated reporting: Concepts and Cases that Redefine Corporate Accountability*. Switzerland: Springer.

**Harris, E. (2007)** How Managers Construe Risk in Business Acquisitions. *International Journal of Risk Assessment and Management* 7(8) pp. 1057–1073.

**Harris, E. (2000)** Strategic investment decision-making: Managerial judgement on project risk and return. *Journal of Applied Accounting Research* 5(3) pp. 87–110.

**Harris, E. (1999)** Project risk assessment: A European Field Study. *British Accounting Review* 31(3) pp. 347–371.

**Harris, E., Hoang, T., & Ngan, G. (2018)** Accounting for capital investment appraisal: Time for a radical change? In: Quinn, M. & Strauss, E. (eds.) *Routledge Companion to Accounting Information Systems*. Abingdon: Routledge. pp.173–189.

**How will your work be assessed?**

Your work will be assessed by a subject expert who will use either the marking criteria provided in the section “Instructions for assessment” or the Marking rubric enclosed in the Appendix, as appropriate for this module. When you access your marked work it is important that you reflect on the feedback so that you can use it to improve future assignments.

**Referencing and submission**

You must use the **Harvard System**.

The Business School requires a digital version of all assignment submissions. These must be submitted via Turnitin on the module’s Moodle site. They must be submitted as a Word file (not as a pdf) and must not include scanned in text or text boxes. They must be submitted by 2pm on the given date. For further general details on coursework preparation refer to the online information at StudentZone, <http://studentzone.roehampton.ac.uk/howtostudy/index.html>.

**Mitigating circumstances/what to do if you cannot submit a piece of work or attend your presentation**

The University Mitigating Circumstances Policy can be found on the University website: [Mitigatin](http://www.roehampton.ac.uk/uploadedFiles/Pages_Assets/PDFs_and_Word_Docs/Quality_and_Standards/Mitigat)g [Circumstances Polic](http://www.roehampton.ac.uk/uploadedFiles/Pages_Assets/PDFs_and_Word_Docs/Quality_and_Standards/Mitigating%20circumstances%20policy%20August%202013.pdf)y

**Marking and feedback process**

Between you handing in your work and then receiving your feedback and marks within 20 days, there are a number of quality assurance processes that we go through to ensure that students receive marks which reflects their work. A brief summary is provided below.

* **Step One** – The module and marking team meet to agree standards, expectations and how feedback will be provided.
* **Step Two** – A subject expert will mark your work using the criteria provided in the assessment brief.
* **Step Three** – A moderation meeting takes place where all members of the teaching and marking team will review the marking of others to confirm whether they agree with the mark and feedback
* **Step Four** – Work then goes to an external examiner who will review a sample of work to confirm that the marking between different staff is consistent and fair.
* **Step Five** – Your mark and feedback is processed by the Office and made available to you.