**SIA Module worksheet week 3**

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| Seminar **Questions** (to check and/or develop your relevant knowledge on investment appraisal) | **Answers** (write here in your own words & underline key concepts) | e.g. **Illustrate** from last year’s case study – find this data in the annual report of the target company or the exemplar assessment | NB - **Find** the equivalent data for the assessment case study you are tasked with analysing from the annual report of target co. |
| 1. What are the main techniques used to appraise strategic investments made by a company? |  | What is the balance sheet of the target company (total assets net of liabilities)? |  |
| 1. Why might earnings/profits reduce when sales revenues have been growing? |  | What was the % growth in:   1. sales revenue   operations and support costs in the target company? |  |
| 1. How can we work out the length of time it will take to pay back the amount invested in a project? |  | How many years would it take to payback the bid price with average EBITDA\* if there was no growth in revenues? |  |
| 1. Define the following terms    1. Revenue growth    2. EBITDA    3. Payback    4. DCF    5. NPV |  | Find the values for each term   1. Revenue growth 2. EBITDA 3. Payback (if EBITDA doubles each year from 2019) |  |