**EFFECTIVE FINANCIAL MANAGEMENT**

**Learning Outcome 5: ACTIVITY 1**

**Investment appraisal techniques**

Investments can involve substantial cash flows (both outflows and inflows). Inappropriate investments can lead to disaster for the business.

Look back to LO3 Activity 1.

#### Individually, and then in pairs

Identify a business with which you are familiar. This could be a multinational company from which you have purchased goods/services, a business that owns your favourite brand or the business for which you work (or wish to work in the future).

Ideally this should be the business you chose earlier to re-visit throughout your classroom activities.

From your research:

1. Reflect on the key investment decision that you identifed as part of LO3 Activity 1.
2. Reflect on the risks that might have existed in each of the decisions that you identified in (1) and (2).
3. Explain how investment appraisal techniques might have helped to measure and manage the risks that you identified in (2).
4. Prepare a short presentation on your findings.