**CORPORATE FINANCE**

**Learning Outcome 5: ACTIVITY 1**

## **The nature of risk and its importance in financial management**

Risk is a critical factor in financial management. A financial decision can have major implications for the success or even survival of a business

#### Required: Individually, and then in pairs

With reference to the business that you’ve been using for the other Activities:

1. Identify a key investment decision that has been taken by your chosen business.
2. Identify the nature of the investment appraisal techniques that were used to support the investment decision in (1).
3. Discuss the extent to which the investment appraisal techniques that you identified in (2) reflect the financial management strategy of the business.
4. Prepare a short presentation on your findings.