DESCRIPTION OF THE OBJECT

FIELD OF STUDY	**Management**
SPECIALISATION	Logistics management
MODE OF STUDY	Full-time studies/Part-time studies
SEMESTER	6

Name of the subject	**Practical economic and financial decisions in a company**	
Hourly dimension of particular forms of classes	Full-time studies – 30 Part-time studies - 18	
• **lectures**	Full-time studies – 10; Part-time studies - 8	
• **other forms**	Full-time studies – 20; Part-time studies - 10	

Learning objectives:	– to present the process of making practical economic and financial decisions in a company in the context of implementing an investment strategy and in connection with optimising financing sources, – to present the theoretical foundations and practical tools necessary for the application of the discounted cash flow (DCF) method and dependencies concerning the estimation of the cost of capital.

Learning outcomes for the subject			
Number	**Learning outcomes, a student who has successfully completed the course will be able to:**	**Reference of learning outcomes for the programme**	**The reference to the learning outcomes for the area**
EK_W01	Define the concept of time value of money, indicate the rationale justifying it, characterize the effect of time value of money variable on cash flow evaluation.	K_W05	P6S_WG
EK_W02	Explain what discounting methods are used to assess the effectiveness of investment projects.	K_W07 K_W08 K_W17	P6S_WG P6S_WK
EK_U03	Apply tools for estimating future value and present value, using appropriate relationships.	K_U01 K_U02 K_U03	P6S_UW
EK_U04	Conduct an analysis of an investment project using methods to assess their effectiveness (payback period, NPV, IRR).	K_U05 K_U06 K_U08	P6S_UW

EK_U05	Plan how to finance an investment, using methods to estimate the cost of capital.	K_U03 K_U08	P6S_UW

Content number	Educational/ curricular content	Reference to learning outcomes for the subject
	Lectures / Exercises	
T_01	The essence of the time value of money; the psychological and economic reasons for the variable valuation of money over time; the time value of money in the context of household decisions; the enterprise as a cash flow generating system; the role and consequences of cash flow valuation in the enterprise; conventions for the presentation of cash flows over time.	EK_W01 EK_W02 EK_U03 EK_U04 EK_U05
T_02	Definition of future value; how to estimate future value at different periods and capitalisation rate; definition of present value; calculation of present value for an assumed discount rate; interpretation of discount rate.	EK_W01 EK_W02 EK_U03 EK_U04 EK_U05
T_03	Concept of annuity; simple annuity (payable in arrears) and income annuity (payable in advance); future value of simple and income annuity - definition and method of estimation; notion of present value of simple and income annuity; relationships for calculating present value of annuity	EK_W01 EK_W02 EK_U03 EK_U04 EK_U05
T_04	Perpetual annuity; definition; present value of perpetual annuity; how to estimate present value of perpetual annuity; credit with equal principal and interest payments; nominal and effective interest rate.	EK_W01 EK_W02 EK_U03 EK_U04 EK_U05
T_05	Payback period; how to calculate; discounted payback period - definition, rationale and estimation algorithm; advantages and disadvantages of using payback period as a method to assess investment performance.	EK_W01 EK_W02 EK_U03 EK_U04 EK_U05
T_06	Assumptions of the NPV method of discounted net flows; definition and presentation of the Investment Project; stages of the NPV method; estimation of the present value of individual financial flows related to the investment; determination of the net present value of the entire Investment Project; assessment of the NPV value and criterion for making a decision on accepting the Project for implementation; advantages and disadvantages of the NPV method.	EK_W01 EK_W02 EK_U03 EK_U04 EK_U05
T_07	NPV curve as a graphical representation of the assessment of the investment project's efficiency depending on the adopted discount rate; Analysis of the discount rate for the valuation of financial flows; Interpretation of the discount rate equating the investment with the sum of the discounted effects of the investment; Internal rate of return IRR as a parameter determining the financial efficiency of an investment; Advantages and disadvantages of using IRR.	EK_W01 EK_W02 EK_U03 EK_U04 EK_U05
T_08	Sources of capital from the point of view of financing investment projects; sources of capital from owners (Equity); capital from debt (Debt); relationship between equity and debt.	EK_W01 EK_W02 EK_U03 EK_U04 EK_U05
T_09	The cost of capital as a parameter affecting the assessment of investment efficiency; estimating the cost of capital from the issue of shares; the role of retained earnings in the financing of investment	EK_W01 EK_W02 EK_U03

projects; credit and bonds as examples of debt financing of investment activities; estimating the cost of capital taking into account the share of its individual components in the total - the weighted cost of capital (WACC);	EK_U04 EK_U05

Methods and forms of teaching	Educational and curricular content
Lecture with multimedia presentation of selected issues	
Conversation lecture	
Problem-based lecture	T_01 – T_09
Informative lecture	
Discussion	
Working with text	
Case study method	T_01 – T_09
Problem-based learning	
Didactic/simulation game	T_01 – T_09
Exercise method	
Workshop method	
Project method	
Multimedia presentation	
Audio and/or video demonstrations	
Activation methods (e.g. brainstorming, SWOT analysis technique, decision tree technique, „snowball" method, constructing „mind maps")	
Other (which ones?) - ...	
…	

Evaluation criteria in relation to particular learning outcomes				
Learning outcome	For assessment 2	For assessment 3	For assessment 4	For assessment 5
EK_W01	The student is unable to define the concept of time value of money, to identify the rationale behind it and to characterise the effect of the time value of money on cash flow assessment.	Students will be able to define the concept of time value of money.	Students will be able to define the concept of time value of money, indicate the premises justifying it.	Students will be able to define the concept of time value of money, identify the rationale behind it and characterise the effect of the time value of money on cash flow assessment.
EK_W02	The student is unable to explain what the discounting methods of assessing the effectiveness of investment projects are.	The student is able to explain what discounting methods are used to assess the effectiveness of investment projects.	The student is not only able to explain what the discounting methods of assessing the effectiveness of investment projects are. He/she can also critically discuss their advantages and disadvantages.	The student is not only able to explain what the discounting methods of assessing the effectiveness of investment projects are. He/she can also critically discuss their advantages and disadvantages and indicate controversial areas in their application.
EK_U03	The student is not able to apply tools for estimating future value and present value.	The student is able to apply tools to estimate future value and present value, using basic definitions.	The student is able to apply tools to estimate future value and present value, both for individual flows and	The student is able to apply tools for estimating future value and present value for both individual flows and streams, using

			streams using basic definitions.	basic definitions and general formulae for partial sums of a geometric series
EK_U04	The student is not able to carry out an analysis of an investment project, using the methods of assessment of their effectiveness (payback period, NPV, IRR).	Students will be able to carry out an analysis of an investment project using methods of assessment of their effectiveness (payback period, NPV, IRR).	The student is able to analyse an investment project using the methods of assessment of their effectiveness (payback period, NPV, IRR) and relate the results of individual methods	The student is able to analyse an investment project using the methods of assessment of their effectiveness (payback period, NPV, IRR), critically refer to the results of individual methods finding a solution in case of contradictions.
EK_U05	The student is unable to estimate the cost of capital	The student is able to estimate the cost of capital for its individual components	The student is able to estimate the cost of capital for its individual components and to calculate the weighted cost of capital	The student is able to estimate the cost of capital for its various components, calculate the weighted cost of capital and plan the optimal capital structure.

Verification of learning outcomes	EK symbols for the module/subject					
	W01	W02	W03	U04	U05	K06
Written examination						
Oral examination						
Written credit	X	X	X	X	X	X
Oral credit						
Written colloquium	X	X	X	X	X	X
Oral colloquium						
Test						
Project						
Written work						
Report						
Multimedia presentation						
Work during exercise	X	X	X	X	X	X
Other (which?) -						

Hourly teaching load and student workload	Full-time studies	Part-time studies
1. Lectures (joint participation of academics and students)	10	8
2. Other forms (joint participation of academic staff and students)	20	10
3. Consultation with the teacher	10	15
Total 1+2+3	**40**	**33**
4. Internships (carried out by students on their own)	—	—
5. Student's own work (including homework and project work, preparation for a credit/exam)	35	42
Total 4+5	**35**	**42**

SUMMARY 1+2+3+4+5	75	75
Total ECTS credits according to the study plan	3	

Reference literature	1. Brigham Eugene F., Houston Joel F., Podstawy zarządzania finansami, PWE 2005 2. D. Wieczorek, Wartość pieniądza w czasie, FENUS, Poznań 1993 3. Siegel J. Shim J. Harman S., Przewodnik po finansach, PWN Warszawa 1995
Complementary literature	1. J. Czekaj, Z. Dreszer, Podstawy zarządzania finansami firmy, PWN, Warszawa 1997 2. W. Bień, Zarządzanie finansami przedsiębiorstwa, Difin, Warszawa 1993 3. D. Krzemińska, Finanse Przedsiębiorstw, WSB. Poznań 2000 4. W. Pluta, Strategiczne zarządzanie finansami, Ekspert, Warszawa 1996` 5. W. Gabrusewicz J. Samelak (red.), Rachunkowość finansowa Obszary problemowe, Wydawnictwo Akademii Ekonomicznej w Poznaniu 2006