# Module: Capital Budgeting

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### Topics

This module includes the following three topics:

Topic 1: Capital Budgeting Process

Topic 2: Applying NPV Analysis

Topic 3: Incorporating Inflation

## Topic 1: Capital Budgeting Process

This topic reviews the capital budgeting process and the different methods used to evaluate a project.

### Readings

Introduction, Section 1.1

#### **Learning Problems**

Project Evaluation Methods at Topley

Project Evaluation Methods at Cott Beverages

**Answer Keys**

Project Evaluation Methods at Topley

Project Evaluation Methods at Cott Beverages

## Topic 2: Applying NPV Analysis

This topic examines the NPV method including the relevant cash flows and the effects of taxation.

### Readings

Section 1.2

#### **Learning Problems**

Standalone Decision at Rogers

Replacement Decision at Ruby

Replacement Decision at Zebra

**Answer Keys**

Standalone Decision at Rogers

Replacement Decision at Ruby

Replacement Decision at Zebra

## Topic 3: Incorporating Inflation

This topic examines how to incorporate inflation into NPV analysis.

### Readings - Section 1.3

#### **Learning Problems**

Standalone Decision with Inflation at Weatherly

Standalone Decision with Inflation at Quaker

**Answer Keys**

Standalone Decision with Inflation at Weatherly

Standalone Decision with Inflation at Quaker

## Module Summary

In this module, you learned how to evaluate capital budgeting projects including advanced issues such as taxation and inflation.