

## Summary

### 3.8 Investment Appraisal

Subject	Year	Start date	Duration
Business Management	IB1	Week 2, February	<b>2 weeks</b> 8 hours

#### Course Part

Unit 3 Finance and Accounts

#### Description

**By the end of this Subtopic - 3.8 Investment Appraisal, you should be able to:**

- Calculate and evaluate investment opportunities using payback period.
- Calculate and evaluate investment opportunities using average rate of return.
- Calculate and evaluate investment opportunities using net present value.

## Inquiry & Purpose

### Inquiry / Higher Order Questions

#### Type

#### Inquiry Questions

Skills-based

How certain is the information we get from financial statements? For example, could we know in advance if an investment will be successful?

## Curriculum

### Aims

Enable the student to collect, describe and analyse data used in studies of society, to test hypotheses, and to interpret complex data and source material

### Objectives

#### **Demonstrate knowledge and understanding of**

the six concepts that underpin the subject

#### **Demonstrate a variety of appropriate skills to**

select and use quantitative and qualitative business tools, techniques and methods

### Syllabus Content

#### **Unit 3: Finance and accounts**

### 3.8 Investment appraisal (some HL only)

Investment opportunities using payback period and average rate of return (ARR)

Investment opportunities using net present value (NPV) (HL)

#### Concepts

##### Strategy

Strategy refers to the significant long-term planning decisions that organizations make in order to meet the needs and wants of their stakeholders. Strategy is about asking questions: what, why, when, how, where and who?

#### ATL Skills

##### Approaches to Learning

##### Thinking

- In this unit, we will

set students a task which required higher-order thinking skills (such as analysis or evaluation)

#### Developing IB Learners

##### Learner Profile

 Balanced