

**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**

**Post Graduate Diploma in Management (PGDM)**

**Course Outline - PROJECT AND INFRASTRUCTURE FINANCE (FN609)**

**Credit: Full (3 CREDITS) Session Duration: 90 MINUTES**

**TERM-V, 2013-15 BATCH**

**Faculty:** Prof. Pankaj Priyadarshi  
**Telephone:** +91-9776074399  
**E-Mail:** panks123@yahoo.com  
**Consulting hours:** During and after sessions

**Introduction**

As projects get bigger and bigger, their finances are getting more complex and returns riskier. The level of debt a new project requires has ability to destabilize a stable company unless it understands the pros and cons of project finances.

**Objective**

This course on Project Finance deals with various issues that project finance discipline requires professionals to understand. The objective is the following:

- a) To expose students about the complexities of project finance and evaluation
- b) To equip them with tools and techniques to evaluate a project and take decision accordingly
- c) To expose them to real life cases and the working of project finance

**Details of Sessions**

Session	Topic	Coverage	Methodology
1	Project Finance Overview	Capital investment, project specific investment, projects and types, Why project finance as separate branch of study	Lecture and Discussion
2	Project Finance aspects	Facets of project finance, Ongoing projects versus one time investment , BOOT, BOT, PPP	Lecture and Discussion
3	Financial estimations and forecasting	Financial estimation, Cost of project, Profitability projection, cash flow projection, balance sheet, multi-year projection	Lecture and Discussion
4	Cases and Excel modeling	Capital budgeting, estimation, planning, and projections	Lecture and spread sheet
5	Project Investment Criteria - I	NPV, Profitability index, IRR, Payback, Modified IRR,	Lecture & Discussion
6	Project Investment Criteria - II	Accounting rate of returns, Assessment of various methods	Lecture & Discussion
7	Cases and Modeling	Modeling and case discussion in the various methods of project investment evaluation	Lecture and spread sheet
8	Cases and Modelling		
9	Financing decision I	Financing decision, cost of capital, equity versus debt, Tools and Techniques of Project Financing:	Lecture & Discussion
10	Financing decision II	Tools and Techniques of Project Financing:	Lecture & Discussion
11	Cases and Modeling	Modeling and case discussion on financing decision	Lecture and spread sheet

12	Project returns I	Project specific return and its calculation, project WACC versus firm WACC, hurdle rate	Lecture & Discussion
13	Project returns II	Portfolio theory, Returns, and budgeting	Lecture & Discussion
14	Cases and Modeling	Modeling and case discussion on project returns, calculation of WACC, portfolio returns	Lecture and spread sheet
15	Cases and Modeling	Portfolio returns, maximization, Budgeting	Lecture and spread sheet
16	Project risk analysis	Risk, measure and perspective of risk, sensitivity analysis, scenario analysis, Types of risks and their mitigation,	Case Study and discussions
17	Cases and modeling in risk analysis	Risk analysis of cases, modeling, sensitivity analysis	Lecture and spread sheet
18	Cases and Discussion	Cases and Discussion	Lecture and Cases
19	Project Modeling	Complete modeling of a project	Spread sheet modeling
20	Project Modeling	Complete modeling of a project	Spread sheet modeling
Cases will be discussed in the class.			

*The course will involve lot of Real life cases and work outs in the class. The idea is to not only teach you what to do but also how to do it.*

**Methodology:** The course will have major three parts; Theory, cases, and excel modeling of the project finance cases.

**Evaluation** will be done on the basis of case Analysis and Presentation.

**Break up of Evaluation:**

Evaluation Criteria.....	Marks
Class Participation	20
Spread sheet work	20
Presentation of case study	20
End Term Examination with Books	40

**Recommended Text Book :**

**Stefano Gatti:** Project Finance in Theory and Practice -Designing, Structuring , and Financing Private and Public Projects (Academic Press)