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Course Information

Course Title: *Capital Budgeting* #3644

Number of continuing education credit hours recommended for this course:

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour.

CPA: 5 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

Course Description

This course describes how requests for capital investments are documented and examined. It also covers the primary methods for determining whether a proposed investment is acceptable, as well as a number of strategic considerations. Lease or buy financing options are also discussed, along with a system of capital budgeting controls.

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study

NASBA (CPA): Finance

Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: None.

Advance Preparation: None

Course Content

Publication/Revision date: 8/25/2015.

Author: Steven M. Bragg, CPA.

Final exam (online): Twenty-five questions (multiple-choice).

Instructions for taking this course

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. Exams may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning assignments and objectives listed below and studying the review questions after each major section in the text. Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

- Recognize the alterations available for improving an investment proposal, why sunk costs are excluded from proposals, and the alternatives for capital rationing.
- Identify the market conditions in which different types of investments and investment decisions will be made.
- Cite the basis for discounted cash flow analysis, and how net present value can be used.
- Identify the elements of the cost of capital, and note how the cost of capital is calculated.
- Recognize the derivation of throughput, the best ways to improve financial results, and situations in which local optimization is occurring.
- Recognize the uses to which payback, real option, and complex environment analysis can be used to review investment proposals.
- Note the concepts involved in the lease or buy decision process, and the information to include in or exclude from the decision.
- Identify the issues to be verified as part of the analysis of a capital budgeting request form.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written the following books and courses:

Accountants' Guidebook	Financial Analysis
Accounting Controls Guidebook	Fixed Asset Accounting
Accounting for Derivatives and Hedges	Foreign Currency Accounting
Accounting for Inventory	GAAP Guidebook
Accounting for Investments	Hospitality Accounting
Accounting for Managers	Human Resources Guidebook
Accounting Procedures Guidebook	IFRS Guidebook
Bookkeeping Guidebook	Interpretation of Financial Statements
Budgeting	Inventory Management
Business Combinations and Consolidations	Investor Relations Guidebook
Business Ratios	Lean Accounting Guidebook
CFO Guidebook	Mergers & Acquisitions
Closing the Books	New Controller Guidebook
Constraint Management	Nonprofit Accounting
Corporate Cash Management	Payables Management
Corporate Finance	Payroll Management
Cost Accounting Fundamentals	Project Accounting
Cost Management Guidebook	Public Company Accounting
Credit & Collection Guidebook	Revenue Recognition

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Table of Contents

Chapter 1 – Overview of Capital Budgeting	1
Overview of Capital Budgeting	1
The Capital Budgeting Application Form	2
Capital Expenditure Proposal Analysis	6
Capital Budgeting Problems.....	7
Opportunity Costs	7
Sunk Costs.....	8
Excessive Optimism.....	8
Capital Rationing.....	9
Capital Budgeting in a Budget Format.....	10
Capital Budgeting in the Absence of a Budget Model	11
Capital Budgeting with Minimal Cash	11
The Post Installation Review.....	12
Chapter 2 - Capital Budgeting Strategy	15
Capacity Expansion Strategy.....	15
Capacity Reduction Strategy	16
Risk Levels.....	16
Additional Risk Factors for International Investments.....	17
Factors Impacting Future Asset Usage	18
Perceived Certainty of Future Demand	19
Duration.....	19
Impact of Financing Alternatives	19
Chapter 3 - Discounted Cash Flow Analysis	22
Cash Flows	22
Time Value of Money	22
Present and Future Value Tables.....	24
Net Present Value.....	25
Scenario and Sensitivity Analysis.....	27
Internal Rate of Return	28
Incremental Internal Rate of Return	29
Terminal Value.....	29
Profitability Index	30
The Tax Rate	30
Cash Flow Analysis Issues	31
Chapter 4 - The Cost of Capital	33
Cost of Capital Derivation.....	33
Cost of Debt.....	33
Cost of Preferred Stock.....	33
Cost of Common Stock.....	34
Weighted Average Cost of Capital	34
Variations in the Cost of Capital	35
Adjustments to the Cost of Capital.....	37

Cost of Capital as a Threshold Value	38
Chapter 5 – Constraint Analysis	41
The Bottleneck Operation	41
Constraint Analysis	42
The Inventory Buffer.....	43
Buffer Sizing.....	43
Sprint Capacity	44
Local Optimization.....	45
Investment Decision Priorities	46
Priority 1 – Increases Throughput.....	46
Priority 2 – Reduces Invested Funds.....	46
Priority 3 – Reduces Expenses.....	47
Additional Investment Considerations	47
The Constraint Analysis Model.....	48
Production Analysis	50
Increase Downstream Capacity.....	50
Increase Upstream Capacity.....	51
Increase Upstream Processing	52
Outsource to a Supplier.....	52
Chapter 6 – Other Capital Budgeting Analyses.....	55
Breakeven Analysis.....	55
The Payback Method.....	56
Discounted Payback.....	57
Accounting Rate of Return.....	58
Real Options.....	59
The Outsourcing Decision.....	61
Research and Development Funding Analysis.....	62
Complex Systems Analysis	63
Chapter 7 – The Lease or Buy Decision.....	65
The Lease Arrangement	65
The Lease or Buy Decision	65
Leasing Concerns	66
Leasing Advantages	67
Chapter 8 - Capital Budgeting Controls.....	70
Capital Budgeting Controls	70
Answers to Chapter Questions	73
Glossary	79
Index.....	81