

Study Plan: Capital Budgeting

Knowledge Targets

I can define the following terms as they relate to our unit:

Payback period	Investment	Cash Flows	Net Cash Flow
Capital Budgeting	Cost of Capital	Rate of return	Time value of money

Reasoning Targets

- I can determine the **payback period** for an **investment**.
- I can rank investment projects in order of preference using **payback period** and **rate of return**.
- I can understand the **time value of money**.

Skill Targets

- I can calculate the **payback period** for an **investment**.
- I can evaluate **investments** using **payback period** and **rate of return**.
- I can compute the **rate of return** for an **investment**.
- I can evaluate **investment** projects with uncertain **cash flows**.