

INVESTMENT DECISIONS





Investment Decision

- *The investment decision is concerned with the selection of assets in which funds will be invested by a firm.*



Where to invest the MONEY?

*The investment of funds has to be made after
CAREFUL ASSESSMENT*



of various projects



through



CAPITAL BUDGETING



Example

PROJECT A

Rs.50,00,000

PROJECT B

Rs.90,00,000

PROJECT C

Rs.40,00,000

YOU

Rs.90,00,000

- *Capital Budgeting refers to the process of making decision regarding capital investment in fixed assets such as machinery, land, building etc.,*





PROCESS OF CAPITAL BUDGETING

PLANNING → *EVALUATION* → *SELECTION* → *IMPLEMENTATION*

*Estimation of
Cash Flows*

*Evaluation
Techniques*

CONTROL

REVIEW