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## Web Report on Guest Lecture on “Capital Budgeting- Conceptual Framework”

<b>Title</b>	Guest lecture on “Capital Budgeting- Conceptual Framework” for the students of BBA & MBA
<b>Resource Person/Facilitator</b>	Prof. P.K. Jain, Department of Management Studies, Indian Institute of Technology (IIT) Delhi
<b>Date</b>	October 12, 2015
<b>Summary</b>	<p>The aim of the Guest Lecture was to provide practical exposure to the students on the topic of Capital Budgeting. Capital budgeting or investment appraisal is the planning process used to determine whether an organization's long term investments such as new machinery, replacement machinery, new plants, new products, and research development projects are worth the funding of cash through the firm's capitalization structure.</p> <p>Dr. P.K. Jain deliberated and provided hands on experience information on the capital budgeting decision making from an investors perspective, whether to invest in a project or not, the financing should be sourced from debt or equity under certain circumstances, irrelevant and relevant Fixed costs to be considered in capital budgeting decision making etc.</p> <p>The speaker briefed about the prevailing gap between sound theory and</p>

actual business practice and application. He emphasized that ideally, businesses should pursue all projects and opportunities that enhance shareholder value. However, because the amount of capital available at any given time for new projects is limited, management needs to use capital budgeting techniques to determine which projects will yield the most return over an applicable period of time.

He accentuated on methods of capital budgeting including Net Present Value (NPV), Internal Rate of Return (IRR), Discounted Cash Flow (DCF) and Payback Period.

The speaker with his vast experience shared his practical experience on project financing both from national & international perspective. The point noteworthy in his guest lecture was that even students and faculty from non-financial background were able to comprehend and analyze the content and its practical application. The students also asked queries for the same and overall the lecture was a remarkable learning experience.