

This subject provides students with an advanced knowledge of concepts and issues relating to project finance techniques. Students will develop the skills to determine a project's debt-carrying capacity and equity requirements and then be able to formulate a funding solution for that particular situation. Practical case studies will be used to demonstrate how project financing applies to resource projects and infrastructure developments. The way deals are structured, including the mix of debt, equity and unique capital sources, will be a key focus, as will the valuation and risk issues associated with project finance. The current trend towards private investment in government assets will be examined in the context of infrastructure finance deals and you will gain an insight into the tendering and bid process used for these transactions.

## Learning outcomes

At the completion of this subject students should be able to:

- Assess project viability.
- Describe and allocate risk.
- Evaluate economic and financial cash flow models to analyse project risk.
- Discuss the need for, and access, specialist input when required.
- Develop and optimise the financial structure of a project.
- Define a project finance arrangement which meets client needs and reflects the current market climate.
- Develop a term sheet for project finance and a syndication strategy.
- Develop project documentation and syndication.

## Subject content

- Introduction to project finance
- Transaction management and due diligence
- Capital structuring
- Financial structuring
- Financial modelling
- Case study – Resources financing
- Documentation and syndication
- Government projects
- Case study – Infrastructure financing

## Assessment

Assessment Type	Assessed	Weighting
Assignment	Week 6	40%
Examination	Week 12	60%

## Delivery method

Kaplan's delivery is primarily through distance education, supported by comprehensive print and online resources. Students will have access to subject notes, pre-recorded lectures, an online subject room, practitioner led discussion forums, online exercises, library and further resources.

## Pre-requisites

Students enrolling in a Masters level elective subject are assumed to have the pre-requisite knowledge in the four core subjects ([FIN111](#), [FIN112](#), [FIN113](#) and [FIN114](#)). This requirement can be waived where students are studying one or more core subjects concurrently with an elective, or they are studying single subjects and are not enrolled for the Masters, Graduate Diploma or Graduate Certificate courses. Students enrolling into an elective subject without having completed all core subjects should ensure that they have, or have access to, the pre-requisite or assumed knowledge required for successful completion of the elective subject. For further information on pre-requisite study contact a student adviser.

Kaplan recommends that you complete the following Kaplan Education subjects (or have a thorough working knowledge of the content) prior to enrolling in this unit:

- Applied Valuation ([FIN224](#))
- Funding Sources ([FIN223](#))

## Workload

This subject requires approximately 120 hours of student effort (11-12 hours per week). This includes time spent on activities such as: reading and review of course notes and other reading material, attending to or listening to live or pre-recorded lectures, participating in e-learning activities, and assessment preparation and review.

## Reading list

The following list of references provides the student with key and additional reading material.

### Prescribed text

There are no prescribed texts for this subject.

### Additional readings:

Finnerty, JD 2007. *Project financing: asset-based financial engineering*, 2nd ed., John Wiley & Sons. ISBN 9780470086247

Gatti, S. 2008, *Project finance in theory and practice*, Academic Press.

Nevitt, PK, & Fabozzi, F 2000, *Project Financing*, 7th edn, American Educational Systems.

Tinsley, R 2000, *Advanced project financing: structuring the risks*, Euromoney.

Yescombe, E 2002, *Principles of project finance*, Academic Press, ISBN 9780127708515