

Financial Bootcamp for Non-Financial Professionals Training

Description

Intorduction

Business professionals and managers in any organization rely upon financial information to enable them to effectively undertake their roles. Financial information can provide a clear picture of events that have occurred, and a sound basis for forecasting future events. It can also show whether activities are cost-effective, whether targets have been met, and can be used to measure comparative performance and profitability.

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It is vitally important that managers are able to understand, interpret, and utilize financial information and reports, and can acquire the knowledge and skills to apply financial techniques to financial data, to inform logical and worthwhile decision-making.

The key elements of the course will be:

- The role of the Finance Function, in transaction recording and reporting, management control and decision-making, raising finance, internal control and risk management.
- The basic principles of financial accounting and reporting, the three main financial statements, and how they are prepared and presented.
- Review and analysis of published financial reports, and how they are perceived by various stakeholder groups.
- Management accounting procedures and techniques used in organizations to control operations and inform profitable decision-making.
- The importance of Treasury management for large multi-national organizations, and examples of how these can be used to control and manage risk.

Objectives

- Explain the purpose of the three key financial statements ‘Income Statement, Statement of Financial Position, and Cash Flow Statement’.
- Evaluate the performance and position of an organization by analyzing their Annual Financial Report.

- Apply the management accounting procedures & techniques of ‘product costing, cost-volume-profit analysis, budgeting, & variance analysis.
- Apply a range of investment appraisal techniques to determine whether proposed investments are likely to be worthwhile.
- Demonstrate a range of methods, tools and techniques available to manage financial risks in multinational organizations.

Content

Day One

Business Organizations, Sources of Finance, the Finance Function

- The development of business organizations
- The role of Finance and the Finance Function
- Sources and types of finance for business organizations

Teamwork exercise: preparing a business plan to present to potential investors

- The structure of the financial accounting system
- The Income Statement and Statement of Financial Position

Teamwork exercise: Financial accounting and reporting case study

Day Two

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The Annual Financial Report

- The purpose and format of the Annual Financial Report (AFR), prepared according to IFRS.
- The financial and non-financial elements of the AFR

Teamwork exercise: Assessing the effectiveness of the AFR as a means of communicating with our key stakeholders

- The difference between cash flow and profit

Teamwork exercise: Preparing and presenting a Cash Flow Statement

- How to analyse and interpret the AFR

Teamwork exercise and presentation: Assessing a company’s performance and position by analyzing their AFR

Day Three

Management Accounting

- Understanding the difference between management accounting and financial accounting
- Calculating the cost of our products and the problem of overheads (indirect costs)
- Overhead apportionment – absorption costing versus Activity Based Costing

Teamwork exercise: Preparing cost estimates for a contract bid

- Cost-Volume-Profit and break-even analysis
- Budgeting – objectives and process

Teamwork exercise: preparing next year's budgets for a manufacturing business

- Analysing the differences between budget and actual, using Variance Analysis

Day Four

Investment Appraisal

- The time value of money – future values and present values, perpetuities and growth

Group discussion: Identifying new investment opportunities for your business:

Teamwork exercise: Basic appraisal methods – Accounting Rate of Return and Payback

- The cost of capital – Equity and Debt

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Teamwork exercise: Calculating the Weighted Average Cost of Capital (WACC)

Teamwork exercise: Advanced appraisal methods – Net Present Value (NPV) and Internal Rate of Return (IRR):

- Dealing with capital rationing using the Profitability Index method
- Dealing with forecasting uncertainty using Sensitivity Analysis

Teamwork exercise: Comprehensive investment appraisal mini-case

Day Five

Treasury and Risk Management

- Interest rate risk

Group discussion: The role of Treasury

- Managing interest rate risk using options and swaps

Teamwork exercise: Devising an effective interest rate swap

- Foreign currency risk
- Managing foreign currency risk using natural techniques

- Managing foreign currency risk using transactional techniques

Teamwork exercise: Hedging the risks of a foreign currency transaction

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