

Financial Skills for Senior Managers

2 days

Course

DAY 1

- Introduction to Corporate Finance
- Finance terms and definitions
- Introducing the Balance Sheet
- Property, Plant & Equipment and Depreciation
- Inventory, raw materials, WIP & finished goods
- Accounts Receivable, debtors days/settlement periods & credit management
- Bank, cash and liquidity
- Investments
- Goodwill, patents, trademarks and intellectual capital
- Long-term financing options, including leased assets, bonds & inter-company loans
- The meaning of gearing and leverage on a balance sheet
- Accounts payable and the meaning of accruals
- Company taxation and VAT introduced from a balance sheet perspective
- Bank overdrafts and other short-term financing options
- Shareholder's Equity, Capital and Accumulated Funds
- Balance Sheet Scenarios and interpretation exercises

DAY 2

- The Income Statement introduced and linked to balance sheet items
- Turnover and other income sources
- The meaning of overheads and key expense categories
- The working capital cycle in context
- Understanding cash flow
- The Cash Flow Statement
- Interpretation and Analysis for the Non-Accountant
- Gross profit, net profit, margin and mark-up
- Current and Quick Ratio
- Debtors Collection Period
- Creditors Settlement Period
- Stock Turnover
- Return on Funds Employed
- Return on Shareholder's Funds
- Advanced ratios for analysis of published accounts
- Debt Equity ratio
- Net Operating Income

- Asset Turnover
- Dividend yield
- Dividend cover
- Earnings per share
- Price/Earnings ratio
- Earnings yield
- Case study using published financial statements
- How to value a shareholding in a company
- Insolvency prediction ratios
- Detailed case study and discussion
- Break-even and Cost-Volume-Profit Analysis
- Absorption Costing

Exercises on marginal and absorption costing