

Financial Essentials (Tier 1)

1 Day

Description

Companies are composed of a number of job roles and varying degrees of responsibility. Some roles are so different that two people within the same company may never come in contact with each other over the entire length of their employment. All employees, though, are working towards the same goal—the financial success of the company. However, individuals cannot be expected to contribute to the financial success of the company unless they understand the principles upon which finance is based. In this course, you will explore the fundamentals of finance and discover how all areas of the company contribute to its financial well-being.

Prerequisites

- None

Objectives

- ✓ Describe critical aspects of the budgeting process, including budgeting matters and methods of budgeting.
- ✓ Investigate the three major components of a budget. You will also examine the process of managing a budget.
- ✓ Determine the internal and external parties affected by a company's operations. You will also examine the cash-based and accrual-based methods of accounting.
- ✓ Thoroughly examine the makeup of an income statement, a balance sheet, and a cash flow statement.
- ✓ Use common-size financial statements to conduct both a trend evaluation and a competitive evaluation. You will also look at the many financial ratios that offer valuable information about a company's ability to generate revenue, meet financial obligations, and manage debt.
- ✓ Examine the decision-making process when considering potential investments. You will also explore a number of financial formulas that will help you assess the value of such investments.

Budgeting Fundamentals

Budgeting Benefits
Budgeting Methods

Managing a Budget

Prepare a Budget
Control a Budget

Exploring the Ground Rules of Finance

Who Needs Finance?
Track Revenue and Expenses

Using Financial Statements

The Income Statement
The Balance Sheet
The Cash Flow Statement

Evaluating Performance

Make Comparisons
Determine Liquidity
Determine Activity
Determine Profitability
Determine Solvency

Making Investment Decisions

The Investment Decision-Making Process
Conduct a CVP Analysis
Project Appraisal Techniques

Appendix A: Market Demand Calculation Details

Appendix B: Table of Discount Factors

Appendix C: Activity Worksheets