

Soft-Train



*At Soft-Train
Technology Works*

Resource Management (5 Days) ST00054

COURSE GOAL: To enable the student to grasp the concepts of financial management in the workplace and apply them to the student's specific job function.

PREREQUISITES: None

LEARNING OBJECTIVES:

Upon completion of this course the student will be able to:

- Understand the various forms of financial reporting and analysis.
- Understand the types of financing used to help run a business.
- Create a budget and justify it based on the material taught in class.
- Understand the concept of corporate stock and how its value is determined.
- Comprehend the concepts of bank loans, leases, mortgages, and bonds.
- Understand mergers and acquisitions, divestiture, reorganization, bankruptcy, and liquidation.

KEY TOPICS:

I. Introduction

- A. The Goals of Financial Management in the New Millennium
- B. The Role of Financial Managers
- C. Agency Problems
- D. Financial Decisions and Risk Return Trade-Off
- E. Basic Forms of Business Organization
- F. Financial Institutions, Markets, and Corporate Tax Structure
- G. The Sarbanes-Oxley Act

II. Analysis of Financial Statements and Cash Flow

- A. The Scope and Purpose of Financial Analysis
- B. Financial Statement Analysis
- C. Horizontal Analysis
- D. Vertical Analysis
- E. Ratio Analysis
- F. Sustainable Rate of Growth
- G. Cash Basis for Understanding Financial Position

III. Financial Forecasting, Planning, and Budgeting

- A. Financial Forecasting
- B. Percent of Sales Method
- C. The Budget
- D. A Shortcut Approach to Formulating the Budget
- E. Computer-based Models for Financial Planning

IV. The Management of Working Capital

- A. Managing Net Working Capital
- B. Current Assets
- C. Cash Management
- D. Management of Accounts Receivable
- E. Inventory Management

V. Short-Term Financing

- A. Trade Credit
- B. Bank Loans
- C. Bankers' Acceptances
- D. Commercial Finance Company Loans
- E. Commercial Paper
- F. Receivable Financing

VI. Time Value of Money

- A. Future Values – Compounding
- B. Present Value – Discounting
- C. Application of Future Values and Present Values

VII. Risk, Returns, and Valuation

- A. Risk Defined
- B. Portfolio Risk and Capital Asset Pricing Model
- C. Bond and Stock Valuation
- D. Determining Interest-Rate Risk

VIII. Capital Budgeting (Including Leasing)

- A. Capital Budgeting Decisions Defined
- B. Measuring Cash Flows
- C. Capital Budgeting Techniques
- D. Mutually Exclusive Investments
- E. The Modified Internal Rate of Return

F. Comparing Projects with Unequal Lives

G. The Concept of Abandonment Value

H. Capital Rationing

I. How Does Income Taxes Affect Investment Decisions?

J. Capital Budgeting Decisions and the Modified Accelerated Cost Recovery System

K. Leasing

L. Capital Budgeting and Inflation

IX. Capital Budgeting Under Risk

A. Measures of Risk

B. Risk Analysis in Capital Budgeting

C. Correlation of Cash Flows Over Time

D. Normal Distribution and NPV Analysis: Standardizing the Dispersion

E. Portfolio Risk and the Capital Asset Pricing Model

X. Cost of Capital

A. Cost of Capital Defined

B. Computing Individual Costs of Capital

C. Measuring the Overall Cost of Capital

D. Level of Financing and the Marginal Cost of Capital

XI. Leverage and Capital Structure

A. Leverage Defined

B. Break-Even Point, Operating Leverage, and Financial Leverage

C. The Theory of Capital Structure

D. EBIT-EPS Analysis

XII. Dividend Policy

- A.** Factors that Influence Dividend Policy
- B.** Stock Dividends
- C.** Stock Split
- D.** Stock Repurchases

XIII. Term Loans and Leasing

- A.** Intermediate-Term Bank Loans
- B.** Insurance Company Term Loans
- C.** Equipment Financing
- D.** Leasing

XIV. Long-Term Debt

- A.** Mortgages
- B.** Bonds Payable
- C.** Debt Financing
- D.** Bond Refunding

XV. Preferred and Common Stock

- A.** Investment Banking
- B.** Public Versus Private Placement of Securities
- C.** Going Public – About and Initial Public Offering
- D.** Venture Capital Financing
- E.** Preferred Stock
- F.** Common Stock
- G.** Stock Rights
- H.** Stockholders' Equity Section of the Balance Sheet
- I.** Governmental Regulation
- J.** Financing Strategy

XVI. Hybrids, Derivatives, and Risk Management

- A.** Warrants
- B.** Convertible Securities
- C.** Options
- D.** The Black-Scholes Option Pricing Model
- E.** Futures
- F.** Risk Management and Analysis

XVII. Mergers and Acquisitions

- A.** Mergers
- B.** Acquisition Terms
- C.** Merger Analysis
- D.** The Effect of Merger on Earnings Per Share and Market Price Per Share of Stock
- E.** Holding Company
- F.** Tender Offer
- G.** Leverage Buyout
- H.** Divestiture

XVIII. Failure and Reorganization

- A.** Voluntary Settlement
- B.** Bankruptcy Reorganization
- C.** Liquidation Due to Bankruptcy
- D.** The Z Score Model: Forecasting Business Failures

XIX. Multinational Finance

- A.** Special Features of a Multinational Corporation (MNC)
- B.** Financial Goals of MNCs
- C.** Types of Foreign Operations
- D.** Functions of an MNCs Financial Manager
- E.** The Foreign Exchange Market
- F.** Spot and Forward Foreign Exchange Rates
- G.** Currency Risk Management
- H.** Forecasting Foreign Exchange Rates
- I.** Analysis of Foreign Investments
- J.** International Sources of Financing