MERCURY

Advanced Financial Budget
Management

Advanced Financial Budget Management

Introduction:

The concept of budgeting transcends mere theory to encompass specific steps aimed at adding value to the organization. This is achieved by constructing user-friendly models and employing scenario analysis, thereby allowing management to spend less time gathering information and more time analyzing it for decision-making. Throughout the cycle, Microsoft Excel serves as a practical application for honing the necessary skills within their respective institutions. These tools include "what if" analysis, the "solver" tool, and various others. Additionally, attention is drawn to key forecasting models and a comprehensive assessment of capital budgeting techniques, all of which are implemented using Microsoft Excel.

Targeted Groups:

- Managers, auditors, accountants, and budget analysts.
- Financial management personnel.
- Professionals seeking to broaden their knowledge in budgeting.
- Anyone who finds the need for this course and desires to enhance their skills and expertise.

Course Objectives:
At the end of this course the participants will be able to:

- Creating budget models for their departments and organizations.
- Applying various forecasting techniques to manage uncertainty in budgets more effectively.
- Assessing capital budgeting decisions using multiple methods and selecting the most appropriate course of action.
- Utilizing tools and functions in Microsoft Excel within the budgeting process.
- Evaluating the budgeting process in organizations and recommending improvements.

Targeted Competencies:

- Budget planning.
- Developing models in Microsoft Excel.
- Forecasting.
- Evaluating proposals.
- Applying functions and tools in Microsoft Excel.
- Assessing the budgeting process.

Course Content:
Unit 1: Planning and Budgeting:

- Budgeting and Management Functions
- Budgeting as a Planning Tool
- Budgets and Key Financial Statements
- Budgeting Process: Top-Down vs. Bottom-Up Approach

Unit 2: Methods, Process, and Cycle of Budgeting:

- Budgeting Cycle
- Characteristics of Successful Budgeting
- Making Budgeting a Value-Adding Activity
- Top Ten Common Budgeting Issues
- Choosing the Appropriate Budgeting Method:
- Incremental Budgeting
- Zero-Based Budgeting
- Flexible Budgeting
- Kaizen Budgeting for Continuous Improvement
- Activity-Based Budgeting
- Rolling Forecasts and Budgets
- Comprehensive Budgeting and its Components
- Operating and Capital Budgets
- Best Practices in Budgeting
- Creating a User-Friendly Budget Model

Unit 3: Prediction Techniques:

- Prediction Models
- Quantitative and Qualitative Methods
- Steps in Developing Prediction Models
- Time Series and Trend Analysis
- Data Adjustment Techniques
- Moving Averages
- Simple and Multiple Regression Analysis

Unit 4: Advanced Capital Budgeting Evaluation Techniques:

- Business Risks and Cost of Capital
- Classification of Investment Projects
- Estimating Cash Flows
- Analysis of Investment and Operating Cash Flows
- Time Value of Money
- Required Rate of Return
- Net Present Value NPV
- Internal Rate of Return IRR
- Modified Internal Rate of Return MIRR
- Profitability Index PI
- Payback Period and Discounted Payback Period
- Capital Rationing
- Comparison and Evaluation of Various Techniques
- Sensitivity and Risk Analysis

Unit 5: Break-Even Analysis and Optimization Techniques:

- Cost-Volume-Profit CVP Analysis
- Using CVP Analysis to Determine Target Income
- Break-Even Analysis for Single and Multiple Products
- Dealing with Budget Constraints and Limitations
- Constructing Models for Optimization