MERCURY

The Oxford Financial Excellence Program

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Introduction

This Oxford financial corporation seminar provides business professionals with a deeper understanding of financial management as practiced by today's most influential companies by demystifying the complex world of finance and providing the tools and insights you will need to meet your professional goals and the more significant goals of the organization you serve.

Targeted Groups

- In this Oxford financial corporation course, Staff who wish to gain an up-to-date and broader perspective on how industry leaders continually improve their financial performance.
- Financial and non-financial business professionals from all functions of a business.
- Financial professionals want an update or a refresher of their knowledge.
- Recent company recruits who need to learn about modern corporate financial performance management processes and develop their competencies in this area.
- People from outside business who require a thorough conceptual and practical introduction to the leading players' performance management processes and techniques.

Course Objectives

At the end of this Oxford financial corporation course, the participants will be able to:

- Understand the fundamentals of the successful management of corporate financial performance, from the development of strategy through planning and budgeting to performance monitoring and control.
- Develop practical experience in the workings of a best practice financial performance management model and how to improve corporate financial performance in real life.
- Raise their financial skills.
- Understand today's significant issues in international corporate finance and budgeting.
- Make improved finance and capital budgeting decisions, increasing their importance to their organization.
- Identify areas where they can improve their company's financial performance, which will help their career development.
- Utilize sophisticated investment appraisal techniques.
- Recognition of the appropriate tool to manage risk.

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Targeted Competencies

At the end of this Oxford financial corporation course, the target competencies will be able to:

- Understanding financial statements.
- Evaluating financial performance.
- Financial forecasting.
- The financing decision.
- Determining the cost of capital.
- Evaluating investment opportunities.
- Managing risk.
- Strategic planning.
- Cost management.

Course Content

Unit 1: Corporate Financial Planning

- Strategic planning.
- The objective of the firm is to meet shareholder and stakeholder objectives.
- Agency theory for The relationship between shareholders management.
- Creative accounting and the case of "Enron."
- Preparing a strategic plan.
- Financial management and financial planning for financial management's scope, role, and responsibilities.
- Preparing financial planning for mastering budgeting.
- Forecasting future cash flows.
- Time series analysis.
- Correlation and regression.
- Financial modeling.

Unit 2: Financing The Plan

- Sources of finance for the long-term and short-term.
- Evaluation of the types of finance.
- Equity finance.
- Debt finance.
- Hybrid finance and financial engineering.
- The dividend decision.
- The cost of capital.
- Weighted Average Cost of Capital WACC.
- Capital Asset Pricing Model CAPM.
- The capital investment process.
- Payback.
- Accounting Rate of Return ARR.
- Net Present Value NPV.
- Internal Rate of Return IRR.
- Capital investment appraisal.
- Capital rationing.

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Unit 3: Preparing and Managing Budgets to Support The Financial Plans

- Definition of Budgets.
- The Budgetary Process.
- Types of Budgets.
- Fixed.
- Flexible.
- Incremental.
- Zero Based.
- Activity-Based Budgets.
- The purpose/benefits and problems/limitations of budgets.
- Setting/implementing adequate budgets and eliminating the problems.
- Budgetary control.
- Responsibility accounting and absorption costing.
- Activity-Based Budgeting/Costing ABB, ABC.
- Variance analysis.
- Cost behavior and break-even analysis.
- Sensitivity what-if analysis?
- What-if analysis combined with "Du-Pont" analysis?

Unit 4: Managing and Controlling Cash-flow to Support the Financial Plan

- Cash vs. profit.
- The cash conversion cycle.
- Calculating and managing the cash flow cycle.
- Cash flow ratios.
- Working capital.
- The cost of maintaining working capital.
- Maintaining the optimum level of working capital.
- Working investment ratios.
- Preparing a monthly cash flow forecast.

Unit 5: Managing Financial Risk

- Risk management.
- Types of risk.
- Identifying risk in the SWOT analysis.
- The significant quantitative and qualitative risks facing companies.
- Establishing a risk management strategy.
- Financial risk management and hedging techniques.
- Financial risks.
- Managing exchange rate and interest rate risk.
- Derivatives.
- Forwards.
- Futures.
- Options.
- Swaps.
- Risk management glossary of terms.

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Unit 6: The Financial Markets

- An introduction to the equity markets:
    - IPO.
    - Market indices.
    - International equity market links.
    - An introduction to bond markets.
    - Long-term versus short-term.
    - Treasury versus corporate.
    - Types of bond.
    - The spot and forward market.
    - Exchange rate trends and linkages.
    - Carry trades.
    - Futures.
    - Options.
    - An introduction to the FX market.
    - An introduction to the derivatives market.
    - The link between risk and return.

Unit 7: Evaluating Investment Opportunities

- The "Markowitz" model of portfolio risk.
- The capital asset pricing model.
- A practical application of the CAPM to a range of companies.
- The time value of money and discounted cash flow techniques.
- The "Gordon" growth model.
- A practical application of forecasting dividends.
- Determining the cost of debt.
- The "Ameritrade" case.
- The importance of the cost of capital.
- Scenario analysis.
- The Weighted Average Cost of Capital WACC.
- A practical application of the IRR approach.
- Pitfalls in using the IRR approach.
- Investment appraisal using the net present value approach.
- Payback and adjusted payback.
- The Internal Rate of Return IRR approach.

Unit 8: A Walkthrough of an Annual Report

- The balance sheet.
- The income Statement.
- The cash flow Statement.
- Ratio analysis.
- A Practical application of ratio analysis.
- Forecasting sales.
- The cost of sales approach.

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Unit 9: The Corporate Financing Decision

- Financial leverage.
- "Modigliani" and "Miller's" theory of capital structure.
- Risk of bankruptcy.
- The optimal capital structure.
- Dividend decision.
- The clientele effect.
- Taxation effect.
- The principal-agent problem.
- The market for corporate control.

Unit 10: Risk Management

- Hedging exchange rate risk using:
    - The forward market.
    - The options market.
    - Zero-cost collars.
- Hedging commodity price risk using:
    - Options.
    - Futures.

training@mercury-training.com
www.mercury-training.com