

Fundamentals of Finance and Accounting for Non-Financial Managers

Learning Objectives

- Discuss the relationship between the information presented on basic financial statements
- Read and interpret basic financial statements
- Understand how to evaluate a company's financial health based upon the information presented in its annual report and 10-K report
- Calculate key financial ratios to analyze a company's financial position and management performance
- Identify other sources of financial information
- Improve their company's profitability through an understanding of cost and break-even points
- Compare the rate of return for various investments and determine which are good uses of the firm's assets

Basic Accounting

- Discuss the importance of the accounting equation
- Explain the significance of generally accepted accounting principles (GAAP)
- Describe the accrual process
- Differentiate between accounting profit and cash flow

How Accounting Works and Understanding Financial Statements

- Describe an income statement or profit and loss statement (P&L)
- Discuss a balance sheet and its use
- Identify a statement of retained earnings
- Describe a cash flow statement
- Prepare a simple set of financial statements
- Summarize the accounting process, from the recording of business transactions to the preparation of financial statements
- Share how various business transactions affect the financial statements

Reviewing an Annual Report

- Identify the components of an annual report
- Explain the importance of notes in evaluating financial statements
- Describe an external auditor's role and the significance of the opinion letter

Evaluating a Company's Financial Statements

- Calculate the key financial ratios using the financial statements
- Use financial ratios to evaluate:
 - An organization's liquidity, leverage and profitability
 - The performance of an performance organization as compared to its competitors'
 - An organization's compared with budgeted goals
- Identify sources of financial information beyond the financial statements
- Use the DuPont formula to evaluate management performance
- Use the concept of economic value added (EVA®) and cash flow return on investment (CFROI) to determine if a segment of an organization is adding value to the business

Improving Profitability through Cost Analysis and Profit Planning

- Differentiate between fixed and variable costs
- Help your organization improve profitability through the use of:
 - Break-even analysis
 - Contribution margin analysis
 - Direct costing in appropriate situations
- Explain traditional cost accounting and its limitations
- Discuss the relevance of activity-based costing in today's business environment

Making Major Financial Decisions with Capital Expenditure Analysis

- Define the capital budget
- Explain why cash has a time value
- Recognize and apply different methods of evaluating capital expenditures and monitoring project performance

Budgeting More Effectively

- Discuss the role of budgeting and issues that budgets can solve
- Describe the budgeting process
- Identify different types of budgeting systems in use today
- Analyze budgets for different purposes
- Recognize and apply different methods of evaluating and monitoring operating performance

Course Highlights

- Review program summary and expectations
- Determine the actions that you will take when returning to work based on what you have learned in the program
- Generate a list of questions to take with you and further your learning