

Basic Finance for Business

Introduction

This programme is designed for those involved in small business who need a greater understanding of finance. It translates the jargon, conventions and formats of accounting into easy, understandable business tools. It will not turn you into accountants but will enable you to interpret accounting/financial information and help you to communicate more effectively with your accountant through understanding the basis of accounting information and being able to ask the right questions. It will also help improve business decision-making to enhance financial outcomes.

Programme Objectives

By the end of the course, each person will be able to:

- ❖ Describe the elements of the integrated financial model
- ❖ Define the key elements of the balance sheet and profit and loss account
- ❖ Carry out basic financial analysis
- ❖ Define the elements of working capital management
- ❖ Identify the parameters for deciding on company funding
- ❖ Communicate more effectively with financial advisers and others

Course Content

- The financial dimension of a business: objectives of financial management, the sources and uses of funds, the integrated financial model. Key financial terms
- Financial statements: Balance sheet; profit and loss; basic financial analysis
- Use of funds: fixed assets (e.g. land and buildings, equipment) and working capital; the working capital cycle. Cash flow and liquidity – being able to pay the bills.
- Financial elements of a business plan

Duration

1 day

Training Method

Exercises are used throughout the module to supplement the presentation of material. These exercises are based on published financial information from a range of companies. The formal lectures adopt a highly interactive approach which encourages discussion.