



Core Skills Analyst Program + Accounting Bootcamp

The Core Skills Analyst Program begins with an optional 1-week Accounting Bootcamp prior to the main 3-week program.

The Accounting Bootcamp is designed as a foundation to the main course, covering the basic tools and concepts students will need to be familiar with to complete the program. The main program consists of 3 core courses, each lasting for one week: Corporate Finance; Credit Risk Analysis and Financial Modeling.

Our mission is to provide you with the most comprehensive and complete training to advance your professional proficiency. Real-life case studies will supplement the hands-on learning experience, providing you with a wealth of practical knowledge to take back to the workplace.

Targeted Audience

The program will benefit anyone who wishes to enhance their existing skills or learn new ones. It should be of particular interest to: Entry level finance professionals; Investment professionals; Research analysts; Corporate Bankers; Fixed Income analysts; Credit Analysts; Merger and Acquisition professionals; Equity Analysts; Mid-level career transitions and lateral hires.

Special Offer

Clients who register for this course will receive a complimentary 4-month subscription to FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. The move to the electronic version follows an ongoing review of our environmental responsibilities as a global business and as part of the Pearson group. FT.com also has features that are not available in hard copy, such as: Special Reports, Alphaville, editor blogs, education sections and much more! Subscriptions will start within 6-8 weeks of the start of class and are limited to one subscription per client. (Please note: as of May 1, 2011, the electronic subscription replaces the hard-copy 3-month Financial Times subscription.)

Advance Preparation

No advance preparation required.

Prerequisites

-Undergraduate degree or equivalent - Fluent in English - Proficiency in Basic Excel - Word Processing Skills.A financial calculator is required for this program.

Alumni Comments

"Well organized, capable instructor, thorough material coverage."

"The ability to tailor course to the student's background and knowledge."

"The important accounting applications are used in credit."

"Good broad overview of accounting topics."

"Different ways to read financial statements, impact of FT articles and effect on company's balance sheet and income statement."

Level: Basic

CPE Credits: 144.0

Instructional Method: Group-Live

Detailed Outline

WEEK 1 - ACCOUNTING BOOTCAMP

Day One

- . Accounting Concepts
- . - Introduction to financial accounting
- . - Financial accounting vs. management accounting
- . - Balance sheet equation
- . - Generally Accepted Accounting Principles (GAAP)
- . - Types of ownership
- . Income Statement
- . - The income statement
- . - Methods of measuring income
- . - Relationship between balance sheet and

WEEK 2 - CREDIT RISK ANALYSIS

Day One

- . Overview of Credit
- . - Interaction of the market, the client and credit
- . - Understanding market, credit and operational risks
- . - The 5Ps and 5Cs of Credit
- . - Shareholder Value Added
- . - Risk/Reward and capital allocation
- . - Purpose and Payback

Credit analysis fundamentals

- . Corporates versus Financial

income statement

- . -Income statement presentation
- . -Retained income and dividends
- . Case Study: Goodyear, Inc.

Day Two

- . Double Entry Accounting, Transaction Cycle, Year-end Adjustments
- . - Double entry system
- . - Transaction cycle
- . - Detailed recording
- . - Debit and credit language
- . - Accounting adjustments at the end of fiscal period
- . - Accruals-cash lags
- . - Revenue recognition
- . - Revenue measurement
- . - Credit sales and accounts receivable
- . - Assessing level of accounts receivable
- . Balance Sheets
- . - Financial statement presentation
- . - Format of balance sheet
- . - Case Study: Goodyear, Inc.

Day Three

- . Inventory
- . - Perpetual and periodic inventory systems
- . - Inventory valuation methods
- . - Pros and cons of various methods
- . Long-lived Assets and Depreciation
- . - Nature of long-lived assets
- . - Depreciation methods
- . - Lower of cost or market
- . - Inventory turnover
- . - Expense vs. expenditure
- . -Liabilities
- . - Examples of current liabilities
- . - Accounting for bond transactions
- . Equity
- . - Shareholder rights

Intermediaries

- . Specialized Industries
- . Specialized Products
- . Sources of information

Business and Industry Analysis

- . Industry Analysis including SWOT, critical success factors and Porter framework
 - . Operation/Business analysis
 - . Business risk versus financial risk
 - . The asset conversion cycle
 - . Environmental and Regulatory risk analysis
 - . Management Analysis
 - . Early Warning Signs
 - . Credit red flags
- Exercise: Participants will complete the business and industry analysis for the selected company

Day Two

- . Ratios and Credit Statistics
- . - Advantages and Limitations of ratios
- . - Types of Ratios including: profitability, asset quality and efficiency, leverage and coverage
- . - Peer comparisons/Industry benchmarks
- . - Specialized industry ratios
- . - Seasonality
- . - Overall performance ratios: DuPont formula

Exercise: Balance Sheet Recognition exercise
Exercise: Participants will complete the ratios for the selected company

Day Three

- . Cash flow analysis

- . - Authorized issued and outstanding shares
- . - Preferred Stock
- . - Exchanges and conversions
- . - Dividends

Day Four

- . Cash Flow
- . - Overview of statement of cash flows
- . - Three components of statements
- . - Use of balance sheet equation
- . - Operations
- . - Investing
- . - Financing
- . Case Study: Goodyear, Inc.
- . Free Cash Flow

Day Five

- . Accounting for Investments
- . - Short-term investments
- . - Long-term investments in bonds
- . - Intercorporate investments
- . - Cost method
- . - Equity method
- . - Consolidation
- . Deferred Taxes
- . Pension Accounting, Accounting for Stock Options

- . - Structure of the cash flow statement
- . - Sources and Uses
- . - Reconciliations including PP &E, Intangibles, Investments, Deferred Taxes, Long term debt, Minority interest and Equity

Exercise: Participants will complete the cash flow for the selected company

Historical Financial Analysis

- . The Audit
- . Review of historical patterns and industry performance
- . Income Statement analysis
- . Balance Sheet analysis
- . Cash Flow analysis

Exercise: Participants will work in small groups to complete the FYE analysis

Day Four

- . Off Balance Sheet Items
- . - Contingent liabilities
- . - Operating leases
- . - Debt of joint ventures and unconsolidated subsidiaries
- . - Guarantees
- . - Take-or-pay contracts and obligations under throughput and deficiency agreements
- . - Receivables that have been factored, transferred or securitized
- . - Contingent liabilities e.g. potential legal judgments or lawsuit settlements

Additional Risks to consider

- . Financial guarantees
- . Performance guarantees
- . Ratings triggers
- . Covenants
- . Revenue recognition

- . Unusual gains and losses
- . Asset write-offs
- . Swap exposures
- . FX exposure
- . Pension deficits
- . Securitization
- . Structural subordination
- . Partnerships/SPVs
- . Leases
- . Environmental
- . Product liability

Exercise: Annual Reports: identifying and recognizing industry and company specific off-balance sheet risks

Forecasting

- . Building a forecast-framework and methodology
- . Qualitative and quantitative factors
- . Base, management, and downside cases
- . Critical value drivers
- . Analyzing results- assessing Debt capacity, Recommending financing alternatives, Public versus private, quantifying results and drawing conclusions

Exercise: Forecasting the critical value drivers for selected companies

Day Five

- . Structuring and Documentation
- . - Investment grade versus non-investment grade
- . - Holding company analysis
- . - Guarantees, Keepwells, LOMIs
- . - Collateral Secured versus unsecured
- . - Liquidation analysis
- . - Borrowing Base

- . - Covenants
- . - Subordination

Exercise: Due diligence for selected case studies

Comparing credit ratings

- . Internal risk ratings
- . Rating agencies
- . External sources

Presentations

- . Participants will present the complete credit analysis for the selected company
- . A Financial calculator is required for this module comparable to Texas Instruments BAII Plus Professional.

WEEK 3 - CORPORATE FINANCE

Day One: Introduction and Overview

- . Time value of money
 - . - present and future value
 - . - compounding (annual, periodic, continuous)
 - . - annuities and perpetuities
 - . - complex problems
- . Project analysis
 - . - payback and discounted payback
 - . - internal rate of return (IRR) and modified IRR
 - . - net present value (NPV)
 - . - EVA
 - . - Pros and cons of each

Day Two: Discounted Cash Flow Valuation

- . Brief Review of Financial Statements
- . Overview of DCF and intrinsic valuation
- . Determining Cash Flows

WEEK 4 - FINANCIAL MODELING

Day One: Adv Excel for Financial Modeling

- . Introduction / Tips & tricks that will help you speed up your spreadsheeting
 - . Multiple sheet models
 - . Multiple file models
 - . Drilling down
 - . Logical tests: Building warnings into your models
 - . Protecting your data
 - . Database activities
 - . Dfunctions
- . Grouping downloaded data by account headings
- . Vertical and horizontal lookup tables
- . The Choose function: Using Choose

- . - real v nominal returns
- . Terminal Value
- . - asset values
- . - comparables
- . - perpetuities and growing perpetuities
- . Enterprise Value v Equity Value

Day Three: Cost of Capital

- . Risk and return overview
- . Cost of Debt
 - . - straight
 - . - convertible
- . Cost of Equity
 - . - Capital Asset Pricing Model
 - . - - alpha
 - . - - beta
 - . - - equity risk premium
 - . Other methods
- . Weighted Average Cost of Capital

Day Four

- . Capital Structure
 - . - In theory
 - . - - MM
 - . - In practice
 - . - - costs of financial distress
 - . - - optimal capital structure
- . Adjusted Present Value
- . Differences to WACC valuation process
 - . - Pros and cons
 - . - Peer Group Valuation
 - . - Selecting the peer group
 - . - Key ratios
 - . - P/Es, EV/EBITDA, etc
- . Introduction to Option Pricing for Corporate Finance
- . Reviewing a Fairness Opinion for Valuation Methods

Day Five

- to calculate stocks & debtors on 3 different bases
- . Interactive formulas to extract data
- . Using masks or switches
- . String functions
- . Data tables
- . Outlining
- . Graphs
- . Indirect addressing
- . Consolidation
- . Macros

Each module will be followed by hands on exercises

Day Two

- . Introduction and Overview
- . Basic Valuation Techniques
- . Pro-Forma Modeling
- . Exercises1. Projecting simple financial statements, determining the value of equity
- Case Study Exercises Build Financial Model for Goodyear

Day Three

- . Review and Discussion
- . Mergers and Acquisitions
- . Case Study Exercises Brown-Forman Distillers Acquisition of Southern Comfort
- . Nestlé Acquisition of Ralston Purina
- . Case Study Exercises
- . Cost of Capital and CAPM
- . Exercise 1 Return on equity
- . Exercise 2 Seven steps using CAPM to determine the cost of capital
- . Exercise 3 Implied risk premium in the current P/E multiple
- . Exercise 4 Four steps using the Gordon Model to determine the cost of

- . Financing the Corporation and transactions
 - . - Bank lending
 - . - - Term loans and lines of credit
 - . - - Bilateral and syndicated loans
 - . - Debt
 - . - - Investment grade
 - . - - High yield
 - . - - Convertibles
- . Preferreds
- . Equity
 - . Private Equity
 - . - Venture Capital
 - . Public Equity
 - . - IPOs
 - . - Secondary (US)/ Rights Offerings (Europe)
- . Mergers & Acquisitions
 - . - Rationale
 - . - Payment, Leveraged and Management Buyouts
- . Wrap-up case study

- capital
 - . Exercise 5 Four steps using the P/E multiple to determine the cost of capital
- . Financial Valuation of Goodyear
- . Case Study Exercises

Day Four

- . Review and Discussion
- . Accrual Accounting Valuation
- . Exercise 1: Accrual accounting valuation of Wal-Mart Stores
- . Exercise 2: Accrual accounting for GE
- . Exercise 3: Accrual accounting for Hewlett Packard
- . Exercise 4: Accrual accounting valuation of Peets Coffee
- . Valuation Using Multiples
- . Transaction Multiples
- . Exercise 5: Valuation of Eli Lilly using multiples
- . Discussion
- . Special Valuation Issues
- . Exercise 6: Implied Profit Margin
- . Exercise 7: Three stage valuation model
- . Goodyear: Applying the Market Approach and Accrual Accounting
- . Exercise 8: Develop an accrual accounting valuation model for Wal-Mart

Day Five

- . Review and Discussion
- . Warrants and Executive Stock Options
- . Exercise 1: Warrant valuation
- . Exercise 2: Value Wal-Mart Stores outstanding warrants
- . Debt Valuation
- . Exercise 3: Rating adjusted yield-to-

maturity

- . Exercise 4: Expected debt return
- . Exercise 5: Expected cash flow and return on debt
- . Share Repurchases
- . Exercise 6: Using share repurchases to calculate growth in distributions
- . Exercise 7: Sustainable growth rate
- . Exercise 8: Share repurchases for comparable companies
- . Presentation of Goodyear Valuation and Conclusion

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.