Managerial Finance

This class explores how to analyze internally prepared financial information and how to use it as a basis for making sound business decisions. Beginning with an overview of the key differences between external and internal financial reporting, the course quickly progresses to more complex models and tools for financial analysis

Available Session(s):

18-Sep-2008 -- 19-Sep-2008	New York	USD $2375
NY Institute of Finance - Midtown	9:00am - 4:30pm	Thu Fri
Instructor(s):[Marc Cherney;]		
06-Oct-2008 -- 07-Oct-2008	Chicago	USD $2375
NY Institute of Finance - Chicago	9:00am - 4:30pm	Mon Tue
Instructor(s):[Marc Cherney;]		
13-Nov-2008 -- 14-Nov-2008	New York	USD $2375
NY Institute of Finance - Downtown	9:00am - 4:30pm	Thu Fri
Instructor(s):[Marc Cherney;]		

Targeted Audience

Managers, analysts, consultants, project leaders, accountants, auditors, and others who seek a broad, yet comprehensive understanding of managerial financial tools and analytical methods used by successful operating managers to make better business decisions.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process, and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation
No advance preparation required.

Prerequisites
Participants should have a fundamental understanding of US GAAP accounting principles, concepts, and terminology, as well as a general understanding of effective business management principles and practices.

Learning Objectives

Students will be able to:
· Differentiate between financial and managerial accounting
· Assess the impact of changing levels of sales and costs on profits
· Describe the advantages & disadvantages of operating leverage
· Measure the impact of a changing sales mix on profits
· Determine whether a reduction in unit sales price will increase profits
· Analyze the bottom-line impact of eliminating a product or service
· Apply contribution margin analysis to identify the most profitable products
· Describe how target costing can help companies achieve desired gross margins
· Determine whether a company should outsource a product, service, or activity
· Evaluate the financial performance of a department, division, or business unit
· Explain how employee training, business process improvement and customer satisfaction are liked to financial performance, using the balanced scorecard approach
· Apply controllable cost analysis to judge the financial performance of managers
· Evaluate the impact of a company's transfer pricing policies on managerial decision making
· Compare and contrast economic and accounting-based measures of financial performance
· Employ various cost estimation and allocation methods, including Activity-Based Costing
· Assess product lines and business units for possible acquisition

Level: Basic

CPE Credits: 14

Instructional Method: Group-Live

Detailed Outline

SESSION ONE

Managerial vs. Financial Accounting
· Key differences between external

SESSION TWO

Measuring Financial Performance
· Effective methods for measuring

financial reporting and internally-prepared financial reports and product information.

Cost-Volume-Profit Analysis
· Impact of changes in sales and production activity on company profitability, due largely to the changing levels of fixed and variable costs at different levels of sales and production.

Operating Leverage
· Impact on profitability of a company's investment in fixed costs relative to its variable costs.

Sales and Product Mix Analysis
· Analysis of how changes in the product mix of units sold affect profitability, especially when the mix of units sold differs from the mix originally budgeted.

Special Pricing Decisions
· Relevant costing methods used to determine if it will be profitable to reduce the normal price on a special sales order.

Evaluating Divisions and Product Lines
· Methods for determining whether it makes financial sense to add or drop a division or product line (especially when it appears that the division or product line is generating an accounting loss).

Managing Usage of Limited Resources
· Using contribution margin analysis to determine which product or service will contribute the most dollars to profitability.

Target Costing & Pricing
· Analyzing markets and costs to determine the appropriate price to charge and what the "target cost" must be in order to realize the desired gross margin.

Make vs. Buy Decisions and

financial performance of a company, division, department, or business segment.

Balanced Scorecard
· A performance measurement system that links financial success to its underlying components of organizational learning, business process improvement, and customer satisfaction.

Controllable Cost Analysis
· A method of capturing and reporting financial information that clearly identifies and distinguishes how a division or segment is doing financially, from how effective a job the manager is doing in managing the resources under his or her direct control.

Transfer Pricing
· Principles and practices in how companies set prices for internally-transferred products and services in a manner that maximizes enterprise value without penalizing any one manager or division.

Return on Investment Measures
· Key measures for evaluating financial performance of a division or business unit, such as return on investment (ROI), and return on capital employed (ROCE), including a distinction between economic value and traditional accounting-based rate of return measures.

Cost Estimation Methods
· Common methods used by companies to estimate and allocate costs to products, services, and departments.

Activity-Based Costing
· An effective tool for more accurately allocating costs to products and services based on the cost and amount of the

Outsourcing
· Tools and techniques for assessing whether it makes financial sense to outsource a product or service or to keep making or providing that product or service in-house.

activities consumed in providing the applicable products and services.

Profitable Growth Through Acquisition
· Effective strategies and tools used for analyzing potential acquisitions of product lines in a manner that justifies the acquisition based on enhancements to shareholder value.

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