

Duration: 2 Days

### Course Overview and Objectives

In today's business world, you have to have financial savvy! Strong financial management is crucial to the success of a business and every manager is accountable for the bottom line!

All managers need to know how to justify a budget request, quantify their contributions and identify profit drains immediately.

This workshop for non-financial managers will familiarise you with the key concepts of finance and accounting and help you prepare and manage budgets with confidence

## Fundamentals of Finance

### Session 1: Overview of Financial Management

- Classification of the Financial Information of the Organisation
- Understanding the Trial Balance

### Session 2: Understanding of Financial Statements

- Cost-Benefit Principle
- Risk-return Principle
- Time-value-of-money Principle
- The Basic Financial Statements
- Income Statement
- Drawing Up an Income Statement
- The Balance Sheet
- Drawing Up a Balance Sheet
- Balance Sheet Template
- The Cash Flow Statement
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### Session 3: Analysis and interpretation of Financial Statement

- Profitability Ratios
- Gross Profit Margin
- Net Profit Margin
- Return on Equity
- Liquidity Ratios
- Current Ratio
- Quick (Acid Test) Ratio
- Activity Ratios
- Inventory Turnover
- Debtors Collection Period
- Creditors Collection Period
- Total Asset Turnover Ratio
- Solvency Ratios

### Session 4: Budgeting Process

- Functions of a Budget
- Planning
- Control
- Performance Evaluation
- Motivation
- Communication
- Stages of the Budgeting Process
- Communicating the details of the budget policy
- Determination of factors that restrict performance
- Creating a Budget
- Preparation of the Sales Budget



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- Initial preparation of the various other budgets
- Negotiation of budgets with supervisors
- Co-ordination and review of budgets
- Final acceptance of the budgets
- Ongoing review of the budgets
- Master Budgets and their Components
- Sales Budget
- Expenses Budget
- Cash Budget

### Session 5: Forms of Financing

- Short-Term Financing
- Trade Credit
- Bank Credit
- Bankers Acceptance
- Factoring
- Intermediate Financing
- Term Loans
- Leases
- Long-Term Financing
- Bank Loans
- Debentures
- Sources of Equity Financing

### Session 6: Capital Budgeting and Managing Working Capital

- Importance of capital budgeting decision
- Capital Budgeting Techniques
- Payback Period
- Accounting Rate of Return
- Net Present Value
- Working Capital
- Net Working Capital
- Working Capital Policy
- Moderate or Maturity Matching Approach
- The Aggressive Approach
- The Conservative Approach
- Working Capital Management
- Managing Cash
- Reasons for holding cash
- Measuring whether the Credit Policy is Effective

SAQA US ID: 252040 - Manage the finances of a unit

SAQA US ID: 242810 -Manage Expenditure against a budget