

# Techniques of Financial Analysis, Modeling, and Forecasting

## Course Description

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This comprehensive course gives you every sales and financial forecasting formula and modeling techniques you need to analyze your operation both as a whole and by segment. You'll be provided with proven techniques that help you identify and fix problem areas, analysis techniques that help you evaluate proposals for profit potential, proven methods that improve the accuracy of your short- and long-term forecasting, analysis tools that help you better manage working capital, cash, and accounts receivable, plus much more. You also receive dozens of worked-out models and modeling techniques that simplify your most difficult business decisions, and are easy to adapt to any computer spreadsheet program. This course supplies company accountants, treasurers, CFOs with all the forecasting techniques needed to financially analyze a business as a whole or a segment. It includes analysis techniques, methods for improving forecasting accuracy, analysis tools for managing capital, and more.

**Completion Deadline & Exam:** This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

**Course Level:** Overview. This program is appropriate for professionals at all organizational levels.

**CPE Credits:** 13 (CPA)

**Field of Study:** Finance

**Prerequisite:** Basic Math and Accounting

**Advanced Preparation:** None

## Course Learning Objectives

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### Chapter 1: Break-Even and Contribution Margin Analysis

After studying the material in this chapter, you will be able to:

1. Recognize how costs and revenues affect Cost-Volume-Profit (CVP) analysis.
2. Compute break-even levels for various scenarios.
3. Recognize the margin of safety and cash break-even point.

## **Chapter 2: Understanding and Applying the Time Value of Money Concept**

After studying the material in this chapter, you will be able to:

1. Recognize the time value of money and how it affects financial decisions.
2. Calculate the present value of future payments.

## **Chapter 3: How to Assess Capital Expenditure Proposals**

After studying the material in this chapter, you will be able to:

1. Recognize the purpose and use of the capital budget.
2. Calculate investment payback periods.
3. Recognize the use for the internal rate of return (IRR) calculations.
4. Identify the best methods for making long range investment decisions.

## **Chapter 4: Analyzing Financial Statement for Financial Fitness**

After studying the material in this chapter, you will be able to:

1. Recognize a comprehensive set of financial ratios and interpret them.
2. Recognize the operating cycle of a business.

## **Chapter 5: Analyzing Quality of Earnings and Using Variance Analysis for Cost Control**

After studying the material in this chapter, you will be able to:

1. Recognize different characteristics relating to a firm's quality of earnings.
2. Identify the relationships between auditing and internal controls.
3. Recognize why standard costing is important it is for managerial control.
4. Distinguish among three types of responsibility centers and how they are evaluated.
5. Calculate different types of variances for manufacturing costs.
6. Recognize the managerial significance of these variances.
7. Identify the need for a flexible budget.

## **Chapter 6: Analysis of Segmental Performance and Profit Variance**

1. Recognize how to calculate different variances for price, volume and sale mix.

## **Chapter 7: Evaluating Divisional Performance**

After studying the material in this chapter, you will be able to:

1. Compute return on investment (ROI) by means of the Du Pont formula and show how changes in sales, expenses, and assets affect the investment center's performance.
2. Calculate the residual income (RI) and profit margin based on ROI.
3. Identify how ROI and RI measures affect the division's investment decision.

## **Chapter 8: Analyzing Working Capital**

After studying the material in this chapter, you will be able to:

1. Recognize aspects affecting cash management and working capital.
2. Recognize ways to improve profitability by changes to accounts receivable.
3. Identify how changes in inventory carrying costs affect the organization.

## **Chapter 9: Corporate Investments**

After studying the material in this chapter, you will be able to:

1. Recognize accounting aspects and terms for an investment portfolio.
2. Identify ways to compare risk versus return.
3. Recognize tools for fundamental and technical analysis.
4. Recognize the benefits of portfolio theory with regards to investment decisions.

## **Chapter 10: Obtaining Funds: Short-Term and Long-Term Financing**

After studying the material in this chapter, you will be able to:

1. Compute cost of capital.
2. Distinguish between short-term, intermediate-term and long-term financing sources

## **Chapter 11: Analyzing Mergers and Acquisitions**

After studying the material in this chapter, you will be able to:

1. Identify different types of mergers.
2. Recognize ways to acquire another business.

## **Chapter 12: Forecasting and Financial Planning**

After studying the material in this chapter, you will be able to:

1. Recognize objectives of forecasts.

2. Identify different types of qualitative and quantitative forecasting methods.

## **Chapter 13: Forecasting with Regression and Budgeting Tools**

After studying the material in this chapter, you will be able to:

1. Recognize assumptions of forecasting with the percent of sales method.
2. Identify major steps in budgeting and financial planning.
3. Identify requirements of zero-base budgeting.
4. Recognize the value of the Lagged Regression Approach and Markov model in evaluating collection and bad debt.

## **Chapter 14: How to Use Corporate Planning Models**

After studying the material in this chapter, you will be able to:

1. Identify reasons for corporate modeling
2. Recognize components of an integrated planning model
3. Recognize application and uses of financial models.

## **Chapter 15: Optimization Techniques Financial Modeling Packages and Executive Training**

After studying the material in this chapter, you will be able to:

1. Recognize techniques for optimization including linear programming
2. Differentiate between methods of optimization
3. Recognize the disadvantages of optimization models
4. Recognize uses and variables for the bankruptcy prediction model
5. Identify the purpose for executive management games.