

Finance for Non-Financial Managers

Audience:

The audience for this course is managers new to finance who must deal with financial issues as part of their job responsibilities.

Session Objectives:

After completing this session, participants will be able to:

- Use a Basic Vocabulary of Financial Terms and Concepts
- Read Income Statements and Balance Sheets using Abbott's Annual Report
- Identify how Changes in Variable Costs, Prices and Unit Volume Affect Profits
- Use Time Value of Money Concepts to Solve Present Value and Future Value Problems
- Structure and Analyze a Simple Financially Justified Capital Project
- Make Financially based Go/No-Go Decisions using Net Present Value, Internal Rate of Return and Discounted Payback Analysis

Session Length: 16 hours

Session Topics:

Fundamental Concepts and Vocabulary

- Basic accounting concepts
- The dual aspect of accounting transactions
- Accrual versus Cash Principles
- Depreciation and Amortization

Financial Statements

- Description of each of the three primary financial statements
- Income statement
- Balance Sheet
- Cash Flow Statement
- Discussion of how these statements describe the a company's financial position and performance

Annual Reports

- Interpretation of the information in annual reports using Company's annual report as an example
- Performance Trends
- Cost and Profit Relationships
- Fixed and Variable Costs
- Break-even Analysis and decision making
- Product line profitability

Time Value of Money

- Meaning of "future value" and "present value"
- Calculating future value and present values
- Using time value of money concepts when making investment decisions Internal Rate of Return/Pay back/ Net Present Value