

Hands-on course , 2
day(s)
Ref : RVI

Participants

Anyone who wants to confirm the profitability of his or her investments, financial managers, management controllers, treasurers, operational managers.

Pre-requisites

No particular knowledge.

Next sessions

Assessing the profitability of an investment

This course will allow you to gain proficiency in the notions of Capital Expenditure (CAPEX) investment, amortizations, and the lifespan of a capital asset. You'll also learn how to measure an investment's profitability.

OBJECTIVES

Know the basics of financial analysis
Calculate the lifespans of capital assets
Calculate amortization using different methods
Analyze the profitability of an investment
Choose the right financing method for a given investment.

1) General accounting notes

2) The company as an investment

3) Capital investment as a one-time project

4) Capital assets

5) Amortization: Different methods

6) Investment calculations

7) Financing investments: Benefits and drawbacks

1) General accounting notes

- Vocabulary, double-entry method, entries, general overview.
- The accounting plan
- Amortizations and provisions.
- The profit and loss account.
- Handling inventories.
- The balance sheet.
- Tax aspects.

Workshop

Hands-on work Examples and exercises in making several accounting entries.

2) The company as an investment

- The profit and loss account.
- The bottom line. Working capital requirements. Cash. The notion of cash flow.
- Equity. Working capital, net assets, net position. Ongoing capital.
- Basics of financial analysis: Operating ratios and financial structures.

Workshop

Case study on an actual case and a tax return: Financial analysis.

3) Capital investment as a one-time project

- Differences between "capital investment" and "operating expenses", CAPEX and OPEX.
- Characteristics of a project
- Project management criteria.
- Budgets: Creating them, updating them, calculating deviations in time and cost.

Workshop

Deviation-calculating exercises.

4) Capital assets

- Main.
- Secondary.
- Component-based approach.

5) Amortization: Different methods

- Straight-line.
- Accelerated.
- Other methods.

6) Investment calculations

- Flows and cash flows.
- Discounting. Concept. Financial calculations: The basics.
- Investment profitability: Concept and calculation.
- Investment-choosing criteria: NPV, IRR, payback period, etc.

Workshop

Exercises in choosing different investments.

7) Financing investments: Benefits and drawbacks

- From equity.
- Buying on credit.
- Leasing.

Workshop

Exercises in choosing different financing methods for a single investment.