



Financial Analysis



Course Overview

Management frequently takes financial, investment and operational decisions, the outcome of which depends on the proper analysis of factors impacting their decisions. By attending this course, you will be able to prepare and understand financial analysis, add value to your organization's decision-making process and improve the outcome of these decisions.

This course demonstrates theoretical core topics in addition to introducing Excel's ability to help us perform various types of financial analysis. It also features the use of a number of real-life case studies and presentations by participants, followed by group discussions.

Course Objectives

By the end of the course, participants will be able to:

- ✓ Demonstrate ratio and financial analysis expertise
- ✓ Interpret company financials and industry position
- ✓ Appraise the process of company evaluation and analysis
- ✓ Analyze real-life financial statements from companies traded on the world and Nigerian stock exchanges
- ✓ Prepare financial analysis template models
- ✓ Identify the basic elements of an accounting scandal (fraud).

Who Should Attend

Professionals in the field of finance, accounting and audit. Financial analysts, department heads, senior management team members, financial controllers, finance managers, chief and financial accountants who perform financial analysis and provide financial advisory services.

Course Agenda

DAY 1

An overview financial statement analysis

- Role of financial reporting and analysis
- Core financial statements and the importance of the annual report
- The important role of notes and supplementary information
- Objectives of financial statements audit
- Types of audits
- Financial statement analysis framework
- The accounting cycle
- Financial reporting mechanics
- Relationship, elements and classification of financial statements

An inside look at financial statements

- Income statement components
- The three important components of income statements
- Revenue and expense recognition
- Balance sheet components
- Measurement and classification
- The five important components of balance sheet
- Statement of changes in owners' equity
- Cash flow statement:
- Operating, investing, and financing activities
- Direct versus indirect methods in cash flow preparation
- Reading and interpreting cash flow
- The cash rich standard

DAY 2

Financial analysis techniques

- Vertical analysis and strategy: balance sheet and income statement approaches
- Horizontal, trend analysis and growth
- Liquidity analysis:
- Current, quick, and cash ratios, defensive interval and cash conversion cycle
- Asset management and activity ratios:
- Total and fixed assets turnover
- Solvency analysis:
- Debt, equity, and times interest earned ratios
- Profitability analysis:
- Profit margin, gross margin, return on assets, return on equity
- Market and valuation:
- Price earnings and earnings-per-share ratios
- DuPont analysis: the three-step and five-step models
- Limitation of ratio analysis

Financial statement analysis: applications and presentations

- Evaluating a company's past performance
- Comprehensive real life analysis of publicly traded companies

Recipe for Cooking the Books

- Identify the basic elements of an accounting scandal (fraud).
- Discuss the five most common financial "games."
- Calculate financial indices to use in analyzing data.