

Corporate Finance

(Level C)



Underpinning Competencies

- Contextual Thinking
- Thinking Clearly and Analytically
- Making Decisions and Weighing Risk
- Setting Goals and Standards
- Reciprocal Communication

Linked Assessments (where applicable)

N/A

Managers who are non-accounting specialists are increasingly being required to make decisions based on financial data.

This module will help managers understand the basic financial accounting statements produced by organisations and will outline the information which companies must present in order to comply with the prevailing laws and regulations that relate to accounting and finance practices. It will also explain why profitability and liquidity are quite different aspects of financial performance.

You will be introduced to the balance sheet, profit and loss account and cash flow statement.

An understanding of the nature and purpose of these financial statements and the key accounting “jargon” contained therein, is essential for anyone seeking to interpret and use such information.

Objectives

At the end of this module you will be able to:

- outline the methods of presenting the balance sheet and the profit and loss account
- identify and define the main components of the balance sheet and profit and loss account
- identify the types of accounting information that has to be published by companies who are required to comply with the Companies Act
- explain the purpose of a cash flow statement and identify reasons why a profitable business could have cash flow difficulties
- explain the difference between profit and the concept of Added Value.