

COURSE OUTLINE

Essentials of Corporate Finance

Who is it for?

This course is aimed at anyone who needs an overview of the tools and decision making processes that a company employs in considering how to fund future expansion plans and where to go for those funds.

What is it about?

A high level view of the fundamental principles of corporate finance – effectively the decisions behind whether to use debt or equity to fund a business and the sources of these funds.

What will it cover?

- The structure of a company – the Balance Sheet and Profit & Loss Account.
- Fundamental Ratios – Return on Capital (ROCE), Return on Shareholder Funds (ROSF), Net Margin & Asset Turnover, Sources of capital – debt & equity.
- Uses of capital – investment and working capital
- Introduction to Net Present Value (NPV) and Discounted Cash Flows (DCFs)
- Internal Rates of Return (IRR), NPV & the relationship with ROCE
- Cost of Capital / Opportunity Cost of Capital
- Stock Valuation – Price/Earning (PE) Ratios and annuities
- Introducing Risk into the equation
- Stock Valuation – Dividend Yield and Earnings Yield
- Price / Earnings Growth (PEG) Ratio & other considerations
- Dividend Policy and Modigliani & Miller
- Sources of Capital revisited – what is a ‘Security’?
- Risk revisited – Capital Asset Pricing Model (CAPM)
- Effect of Debt & the Tax Shield
- The Weighted Average Cost of Capital (WACC)
- Advanced Securities – Futures & Options
- Advanced Equity – Warrants & Convertibles
- Advanced Debt – Bonds, Foreign Bonds & Eurobonds
- Capital Markets – where to go for Debt & Equity
- Other markets and the main players.
- Commercial, Investment & Conglomerate Banks

What will I learn?

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- A basic grounding in the world of corporate finance & the terminology
- Increased confidence in dealing with brokers, market makers and others in Financial Services
- An overview of the different tools and techniques that underpin Capital Markets
- Greater awareness of the main players and the markets that they serve.