



Strategic FINANCIAL PLANNING & BUDGETING TRAINING WORKSHOP

Training objectives:

The course focuses on the theoretical as well as the practical aspects of financial planning and budgeting. The syllabus is designed to:

- Develop conceptual understanding of the subject
- Apply the methods and techniques to carry out financial planning and budgeting
- Formulate financial plans and budgets to manage various financial activities, and
- Evaluate the financial plans and budgets for effective financial control



Program outline:

Conceptual Understanding

1. Introduction to Financial Planning and Control

- Elements of financial planning: financial planning process, capital budgeting decisions.
- Role of financial planning: identify possible outcomes, and ensuring feasibility and internal coherence
- Short term and long term plans (1 year vs. 3-5 years)
- Financial Planning Model (sample)

2. The Planning Function: Budget Process

1. Strategic plan
2. Operating plans
3. Financial plans
4. Fundamentals of budgets
5. Preparation of budgets

3. Financial Analysis and Control

I. Financial ratio analysis

- Financial statements and their nature
 - Balance sheet ratios, income statement ratios, and trend analysis
 - Common size analysis
- ##### II. Cash flow analysis
- Cash Flow statement

4. Working Capital Management

I. Liquidity management

- Decision on current asset composition

- Decision on current asset financing
- ##### II. Cash and marketable securities
- Reasons to hold cash
 - Speeding up cash receipts and slowing down payments
 - Optimum cash balance
 - Investment in marketable securities

5. Capital Budgeting

I. Principles of capital budgeting

- Generation of investment proposals
- Estimation of the cash flows for the projects

- Evaluation of cash flows
- Selection of project based on acceptance criterion

- Continual reevaluation of investment projects after their acceptance

II. Risk and Managerial options in capital budgeting

- Problem of project risk
- Comparing Net Present Value (NPV) & Internal Rate of Return (IRR)

III. Evaluating investment options for risk and return

- Defining risk and return
- Measurement of risk
- The Capital Assets Pricing Model

IV. Cost of capital

- Cost of individual sources of capital
- Deriving weighted average cost of capital

V. Determining the financing mix

- Required rate of return

Systems & Procedures:

Candidates are expected to develop thorough understanding of the basic concepts of financial planning and budgeting and their application in different areas of business operations. To ensure an effective hands-on understanding of the techniques, procedures, and systems relevant to the course subject case studies and scenario based questions will be used throughout the training program.

