

# Finance for Non-Financial Managers

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## Finance for Non-Financial Managers

### Course description

This is a three day workshop and is based on unit std 117156 – “Interpret basic financial statements” and unit std 13941 – “Apply the budget function in a business unit”.

### Course duration

3 Days

### Who should attend?

The qualifying learner is capable of:

- Analysing the basic elements of an income and expenditure statement.
- Analysing the basic elements of a balance sheet.
- Compiling a personal assets and liabilities statement.
- Using the evidence in financial statements to make a financial decision.
- Explaining the concept of budgeting in a business unit.
- Analysing the budget needs of a business unit.
- Presenting and justifying a proposed budget for a business unit.
- Monitoring and controlling actual expenses and revenue against projected expenses and revenue.

### Topics covered

#### Day 1

Chapter 1 – Review of the Basics (4 hours; presentation of relevant terminology accompanied by examples and exercises to enhance learning)

- Basic terminology to the accounting function.
- The double entry system.
- The Balance Sheet Equation
- Income Statements
- Cash Flow Statement
- Statement of Retained Earnings

Chapter 2 – Asset Management (2 hours; presentation of relevant terminology accompanied by examples and exercises to enhance learning)

- Management of Current Assets
- Managing Receivables Policy
- Inventory Valuation Methods
- Depreciation

Chapter 3 How to Read an Annual Report (2 hours; presentation of relevant terminology accompanied by examples and exercises to enhance learning)

- Start at the Back
- Footnotes
- Financial Statements
- CEO’S letter
- Explanations and Analysis
- Checklist



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**Day 2**

Chapter 4 Rationale for Budgeting and Budget Control (2 hours; presentation of relevant terminology accompanied by case study)

- Financial Tools for Business Decision Making
  - Choosing New Projects and Capital Budgeting
  - Project Execution and Monitoring
- The Basics of Accounting for the Project Manager
- Cash Flow

Chapter 5 Budgeting (4 hours; presentation of relevant terminology accompanied by case study)

- What is a Budget?
  - The Planning Process
- The Budgeting Process
- Limiting factors
- Types of budget
- The advantages of budgeting
- The disadvantages of budgeting
- The Incremental Budget
- Zero- Based Budgets

Chapter 6 How to Prepare Budget Forecasts (2 hours; presentation of relevant terminology accompanied by case study)

- Gathering information
- Anticipating revenues
- Estimating expenditure
- Impact of Inflation on Financial Decisions
  - Calculating the Inflation Rate
  - Real Versus Nominal Rates Of Return
  - Real Versus Nominal Interest Rates
  - Real Versus Nominal Cash Flows
  - Net Present Value Analysis in an Inflationary Environment

**Day 3**

Chapter 7 Planning (2 hours; presentation of relevant terminology accompanied by case study)

- Effective Implementation of Integrated Development Planning Process
- Purpose of Performance Budgeting
- Benefits of Performance Budgeting
- Performance Measures in the Strategic Planning and Performance Budgeting System
- Strategic Planning Phase
- Performance Budget Development Phase
- Performance Budget Implementation Phase
- Performance Monitoring Phase
- Foster Internal/External Involvement and Communication

Chapter 8 Capital Structure and Financing Decisions (1 hour; presentation of relevant terminology accompanied by examples and exercises)

- First Principles
- Objective in Decision Making
- Debt: The Basic Trade-Off



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- Analysing External Financing Methods
- Impact on shareholder income
- EBIT – EPS Analysis
  - Financial Leverage
- Impact on shareholder risk

Chapter 9 The Time Value of Money (1 hour; presentation of relevant terminology accompanied by examples and exercises)

- Present Value and Future Value
- After – Tax Interest Rates
- Five-Step Procedure for Solving TVOM Problems
- End-of- Period Convention

Chapter 10: Net Present Value (1 hour; presentation of relevant terminology accompanied by examples and exercises)

- The Key to Creating Wealth
- The Net Present Value Decision Rule
- Choosing from among Alternative Projects Using The NPV Rule
- Selecting a Discount Rate
- Weighted Average Cost of Capital

Chapter 11 Alternative Project Decision Rules and Their Failings (1 hour; presentation of relevant terminology accompanied by examples and exercises)

- Introduction
- The Payback Period Rule
- The Discounted Payback Period Rule
- The Internal Rate of Return Rule
- Flaws in the IRR Rule

Chapter 12 How to Project Cash Flows and Calculate Net Present Value (2 hours; presentation of relevant terminology accompanied by examples and exercises)

- Introduction
- Principle 1: Focus on Cash Flows
- Principle 2: Use Expected Values
- Principle 3: Focus on the Incremental
- The Input Data Needed for NPV Analysis
- An Example of NPV Analysis: The Case of Master Chef Pizza Company

[For bookings or more information](#)

For bookings or more information please feel free to Marili van Niekerk us at 012 640 2600 or e-mail [training@acctech.biz](mailto:training@acctech.biz)

For the latest event schedule visit our training page on [www.acctech.biz](http://www.acctech.biz)



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