

# Techniques of Financial Analysis, Modeling, and Forecasting

## Chapter

### Break-Even and Contribution Margin Analysis

1:

#### Learning Objectives:

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After completing this section, you should be able to:

1. Recognize how costs and revenues affect Cost-Volume-Profit (CVP) analysis.
2. Compute break-even levels for various scenarios.
3. Recognize the margin of safety and cash break-even point.

## Chapter

### Understanding and Applying the Time Value of Money Concept

2:

#### Learning Objectives:

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After completing this section, you should be able to:

1. Recognize the time value of money and how it affects financial decisions.
2. Calculate the present value of future payments.

# Chapter

## How to Assess Capital Expenditure Proposals for Strategic Decision Making

# 3:

### **Learning Objectives:**

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After completing this section, you should be able to:

1. Recognize the purpose and use of the capital budget.
2. Calculate investment payback periods.
3. Recognize the use for the internal rate of return (IRR) calculations.

Identify the best methods for making long range investment decisions.

# Chapter

## Analyzing Financial Statements for Financial Fitness

# 4:

### **Learning Objectives:**

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After completing this section, you should be able to:

1. Recognize a comprehensive set of financial ratios and interpret them.
2. Recognize the operating cycle of a business.

# Chapter

## Analyzing Quality of Earnings

# 5:

## Learning Objectives:

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After completing this section, you should be able to:

1. Recognize different characteristics relating to a firm's quality of earnings.
2. Identify the relationships between auditing and internal controls.

# Chapter

## Analysis of Variance Analysis for Cost Control

# 6:

## Learning Objectives:

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After completing this section, you should be able to:

1. Recognize why standard costing is important it is for managerial control.
2. Distinguish among three types of responsibility centers and how they are evaluated.
3. Calculate different types of variances for manufacturing costs.
4. Recognize the managerial significance of these variances.
5. Identify the need for a flexible budget.

# Chapter

## Analysis of Segmental Performance and Profit Variance

# 7:

## Learning Objectives:

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After completing this section, you should be able to:

1. Recognize how to calculate different variances for price, volume and sale mix.

# Chapter

## Evaluating Divisional Performance

# 8:

## Learning Objectives:

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After completing this section, you should be able to:

1. Compute return on investment (ROI) by means of the Du Pont formula and show how changes in sales, expenses, and assets affect the investment center's performance.
2. Calculate the residual income (RI) and profit margin based on ROI.
3. Identify how ROI and RI measures affect the division's investment decision.

# Chapter

## Analyzing Working Capital

9:

### Learning Objectives:

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After completing this section, you should be able to:

1. Recognize aspects affecting cash management and working capital.
2. Recognize ways to improve profitability by changes to accounts receivable.
3. Identify how changes in inventory carrying costs affect the organization.

# Chapter

## Corporate Investments

10:

### Learning Objectives:

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After completing this section, you should be able to:

1. Recognize accounting aspects and terms for an investment portfolio.
2. Identify ways to compare risk versus return.
3. Recognize tools for fundamental and technical analysis.
4. Recognize the benefits of portfolio theory with regards to investment decisions.

# Chapter

## Obtaining Funds: Short-Term and Long-Term Financing

11:

### Learning Objectives:

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After completing this section, you should be able to:

1. Compute cost of capital.
2. Distinguish between short-term, intermediate-term and long-term financing sources

# Chapter

## Analyzing Mergers And Acquisitions

# 12:

### Learning Objectives:

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After completing this section, you should be able to:

1. Identify different types of mergers.
2. Recognize ways to acquire another business.

# Chapter

## Forecasting And Financial Planning

# 13:

### Learning Objectives:

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After completing this section, you should be able to:

1. Recognize objectives of forecasts.
2. Identify different types of qualitative and quantitative forecasting methods.

# Chapter

## Forecasting Methodology

# 14:

### Learning Objectives:

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After completing this section, you should be able to:

1. Identify forecasting models and techniques.

# Chapter

## Forecasting with Regression and Markov Methods

# 15:

## **Learning Objectives:**

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After completing this section, you should be able to:

1. Identify variables of the least-squares method.
2. Identify statistics to look for in multiple regressions.

# **Chapter**

## **Financial Forecasting and Budgeting tools**

# **16:**

## **Learning Objectives:**

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After completing this section, you should be able to:

1. Recognize assumptions of forecasting with the percent-of-sales method.
2. Identify major steps in budgeting and financial planning.
3. Identify requirements of zero-base budgeting.

# **Chapter**

## **Forecasting Cash Flows**

# **17:**

## **Learning Objectives:**

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After completing this section, you should be able to:

1. Recognize the value of the Lagged Regression Approach and Markov model in evaluating collection and bad debt.

# **Chapter**

## **How to use Corporate Planning Models**

# **18:**

## **Learning Objectives:**

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After completing this section, you should be able to:

1. Identify reasons for corporate modeling
2. Recognize components of an integrated planning model

# Chapter

## Financial Modeling For "What-If" Analysis

# 19:

### Learning Objectives:

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After completing this section, you should be able to:

1. Define a financial model.
2. Recognize application and uses of financial models.

# Chapter

## Using Optimization Techniques to Build Optimal Budgets

# 20:

### Learning Objectives:

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After completing this section, you should be able to:

1. Recognize techniques for optimization including linear programming
2. Differentiate between methods of optimization
3. Recognize the disadvantages of optimization models

# Chapter

## Financial Modeling Packages and Executive Training

# 21:

### Learning Objectives:

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After completing this section, you should be able to:

1. Recognize uses and variables for the bankruptcy prediction model
2. Identify the purpose for executive management games.