



The Basics of Business Finance

Essentials - 2-3 Hours

This course is designed to give you a good understanding of the basics of business finance. You will learn how businesses are funded and what the money's used for; how they make profits and generate cash; how to measure business performance; where to find the information you'll need. You'll see how income statements and balance sheets work and you'll also understand key financial jargon, concepts and commonly used financial metrics.

OUTCOMES

- Develop a good understanding of the basics of business finance
- Learn lots of key concepts and financial language
- See how financial statements work and how they are used
- See how to calculate commonly used financial metrics

WHAT YOU WILL LEARN

Introduction

- Overview

Where the money comes from

- Funding options & characteristics
- Typical company funding
- Cost of capital

What the money is spent on

- Types of asset
- Balance sheet jargon
- Depreciation and amortisation
- Net debt and net working capital
- Reviewing a real balance sheet

How much profit does the business make

- Income statement jargon
- Who uses what
- Adjusted profit and EBITDA

How much profit does the business make (continued)

- Impact of changing prices and volumes
- Income statement analysis
- Reviewing a real income statement

Does the business generate cash

- Making profits versus generating cash
- How cash flows work
- How the three statements fit together

Is it worth the effort

- Return on investment
- Economic profit

Summary and conclusion

