



International Diploma in Financial Management

Expert study for knowledge and expertise in making capital investment decisions, financing a business, and managing working capital



A Program which provides a comprehensive introduction to the core elements of financial management and its role in business success. This Program covers the principles and importance of efficient financial management, and how financial information can be used to improve the quality of management decision-making. It deals with planning, investment decisions, project analysis, managing risk, types and sources of finance and financial markets. It covers the vitally important topic of the management of working capital, of ensuring liquidity and business survival. Key terms are highlighted for rapid understanding of the main techniques and concepts.

Course Outline

Module 1 - The role of business finance

- Businesses finance, investment and business success or failure
- Companies, directors, corporate governance, CSR
- Business objectives, in practice and in reality
- The role of the financial manager

Module 2 - Capital investment decisions - an introduction

- The nature of investment decisions
- Importance of making correct decisions and choosing from opportunities
- Practical matters: costs, taxation, flows, interest
- Investment appraisal in practice, factors influencing decisions

Module 3 - Methods of Investment Appraisal

- Return on capital employed: performance measurement, profits, wealth
- Accounting Rate of Return (ARR), Payback Period (PP), Net Present Value (NPV), Internal rates of return (IRR)
- Risk, inflation and the time-value of money
- Discount rates and the cost of capital

Module 4 - Managing investment projects

- Determining investment funds available
- Identifying and evaluating profitable project opportunities
- Approving project proposals
- Monitoring and controlling investment projects

Module 5 - Financing a business: internal sources of finance

- Source of finance and financial policy
- Internal sources of long-term finance
- Internal sources of short-term finance
- Generating cash

Module 6 - Granting credit

- External sources of long-term finance
- External sources of short-term finance
- Forms and types of borrowing
- Long-term versus short-term borrowing considerations

Module 7 - The role of the stock exchange

- Shares and rights issues
- Offering shares and setting a price
- Disadvantages of listing
- Sources of finance for small businesses

Module 8 - Working capital

- Nature and purpose of working capital
- Elements of working capital
- The working capital cycle
- The scale and composition of working capital

Module 9 - Managing working capital (I): stocks and cash

- Managing inventories, recording and reordering systems
- Stock management models, economic order quantity (EOQ)
- Materials requirement planning (MRP) and just-in-time (JIT) stock management
- Cash, cash budgets, the operating cash cycle, overdrafts

Module 10 - Managing working capital (II): debtors and creditors

- Managing debtors (receivables); the 5 c's of which customers should receive credit
- Length of credit period; competition, bargaining power, risk, strategy
- Discounts, factoring, discounting, collection policies, debtor schedules
- Controlling trade creditors (payables), average settlement period

Module 11 - Dividends, dividend policies, dividend decisions

- Dividends and business finance
- Dividend payments: cum and ex dividend, alternatives
- Dividend policy strategies, policies in practice
- Dividend expectations and effects on the action of managerial decisions

Module 12 - Gearing

- Meaning, measurements and significance of gearing
- Debt/equity and capital gearing ratios
- Risks associated with gearing decisions
- Traditional and contemporary approaches to gearing