

### Capital Structure

- Elements of cap structure & characteristics
- Factors to consider
- Calculate cost of financing options

### Finance Theory/ Macro factors

- Investment, Dividends & Financing
- Interest rates, inflation, growth, fx rates

### Agency Theory & Ethics

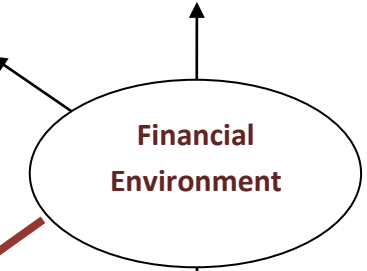
- Theory – explain agency theory
- Practical scenarios (application)

### Sources of Finance

- Key principles for assessing sources
- Ratio Analysis for suitability
- Debt, preference shares, equity, VC
- Assess from lender's perspective

### Cost of Capital

- Cost of equity (CAPM, DDM)
- Cost of Debt (Red, Non red, IRR)
- Theory of WACC
- Calculation of WACC



### Corporate Governance

- Theory
- Practical scenarios (application)

# CAP1 Finance

### Finance & the Individual

### Cash Management

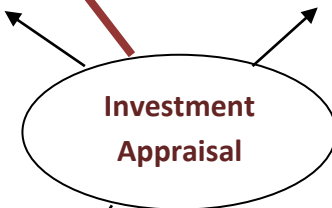
- Uses/theory of cash management
- Prepare cash budget
- Analyse cash needs

### Advanced Issues

- Tax & capital allowances
- Inflation – real & nominal
- Capital rationing
- Sensitivity analysis
- Probabilities & scenarios

### General Approaches

- Theory – pros/cons of each
- Practical – calculations
- Lease vs Buy



### Working Capital Management

### Overall

- What is WC?
- Why/How manage it?
- Calculations – Days, WC cycle

### Non-Financial Issues

- Scenario Specific

### Application

#### TR/TP

- Theory – considerations/options
- Calculations – impact of discounts etc

#### Inventory

- Theory – costs of stock holding
- Calculations – EOQ

**Cost Accounting**

- Accounting for materials, labour and overheads
- Process costing
- Job/service costing

**Other**

- Activity Based Costing (ABC)
- Absorption & Variable Costing

**Overview of Management Accounting (MA)**

- Role of MA
- Key ethical issues
- MA systems



**Developments in MA**

- Balanced scorecard
- Total Quality Management
- Just in time inventory management



**Cost Volume Profit (CVP)**

- CVP analysis
- Breakeven analysis/ margin of safety
- Graphical representation of CVP



**Cost Classification**

- Basic cost classifications
- Understand cost behaviours
- Pricing products based on relevant costs



**Limiting Factor Decisions**

- Contrib. per limiting factor
- Graphical approach
- Calculating shadow prices

**Budget Process**

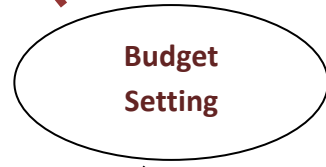
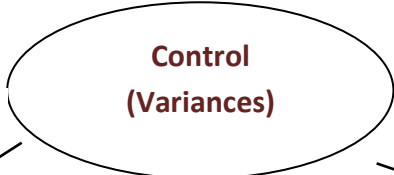
- Purpose and process
- Prepare various budgets (cash, materials, labour etc)

**Decision Making**

- Relevant cost analysis
- Dealing with uncertainty and risk
- Probabilities and sensitivities

**Strategy Formulation**

- Process for forming strategy
- Links to budget process
- Contents of business plan



**Variance Analysis/ Standard Costing**

- Calculate standard costs
- How to set standard costs
- Calculate variances
- Interpret variances
- Reconcile actual and budget performance

**Budgetary Control**

- Role of control in budgets
- Flexing budgets
- Feedback/forward controls

**Other Issues**

- Behavioural issues in budgets
- Approaches to budgeting (Zero based etc)