

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)

Finance & the Individual

CAP1 Finance

General Approaches

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

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

Application

TR/TP

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

Inventory

- Theory – costs of stock holding
- Calculations – EOQ

Working Capital Management

Overall

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

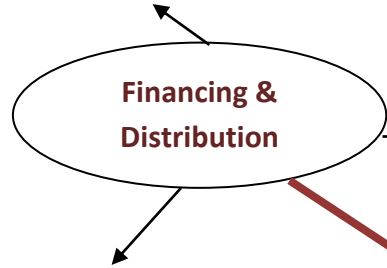
Investment Appraisal

Non-Financial Issues

- Scenario Specific

Stock Market

- Process of raising capital (private & public)
- Stock exchange requirements
- Types of issues & role of CA in process



Financing & Distribution

Sources of Finance/ Capital Structure

- Internal vs External
- Assess ST/MT/LT requirements as appropriate
- Suitability of types of finance
- Working capital requirements

Dividend Policy

- Theoretical views on dividends
- Practical Issues
- Quantify alternatives (buybacks, dividends etc)

Financial Strategy

- Stakeholder objectives & conflicts
- Short/Long term financial objectives

Performance Analysis

- Assessing current financial position
- Impact of business cycle/economic conditions on finance decisions



Financial Strategy & Environment

Legal/Regulatory/Ethics frameworks

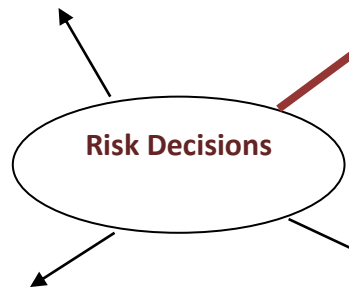
- Corporate Governance
- Ethical situations

CAP2 SFMA

NB: Cumulative principle – CAP1 Finance

Interest Rate

- Methods to hedge - derivatives
- Application - calculations
- Recommendation based on case facts



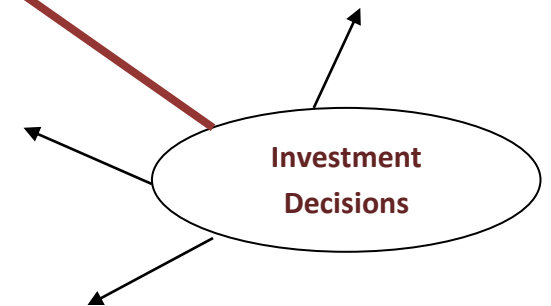
Risk Decisions

Investment Appraisal

- Theoretical
- Calculations
- Non-financial considerations

Valuations + M&A

- Apply valuation approaches
- Valuation theory
- M&A finance options
- M&A lifecycle (DD, tactics etc)



Investment Decisions

Currency

- Theory – currency relationships
- Methods to hedge - derivatives
- Application - calculations
- Recommendation based on case facts

Overall

- Key business & financial risks
- Treasury function
- Value at risk
- Risk management process

Company in Difficulty

- Evaluation of alternatives (quantitative & qualitative)
- Analyse position & prospects