

## Certificate in Advanced Budgeting and Forecasting

### Course objectives

#### At the end of the course, participants will be able to:

- Evaluate the budgeting process in their organizations and recommend improvements
- Create budget templates and models for their departments or organizations
- Apply several forecasting techniques to better manage uncertainties in budgeting
- Evaluate capital budgeting decisions using several methods and recommend proper action
- Utilize Microsoft Excel functions and tools in the budgeting process including breakeven analysis and optimization
- Appreciate the importance of effective budget preparation and financial planning
- Understand various sources of finance with their utilization, based on the cost of capital
- Take sound investment decisions based on proper appraisal
- Obtain an overview of the financial statements and management reports to evaluate the company's performance
- Understand the concepts of ratio/ horizontal/ vertical analyses
- Prepare competitor analysis, market trends, and related explanations for top-level discussions
- Understand cost behavior and its effect on financial planning
- Provide detailed analysis and observations on the results of individual business units
- Understand various types of budgets and use the one most suited to the organization
- Use financial modeling to forecast the profitability and cash flows with sensible assumptions
- Understand the different components of working capital and reduce the operating cycle
- Get equipped to manage and control budgets and forward plans
- Understand the best practice of financial planning and management

### Target competencies

#### Budget Process and Management

- Preparation of Master Budget
- Fixed v/s Flexible Budgets
- Quarterly Reviews
- Forward Planning
- Budget/ Actual Comparison
- Zero Based Budgets

## **Budget Statements**

Balance Sheet

Profit & Loss Statement

Statement of Cash Flow

Budget Assumptions

Accompanying Notes

## **Sources of finance**

Equity and Debt Financing

Gearing Ratios

Cost of Capital

Weighted Average Cost of Capital

Decisions regarding Dividend Payments

## **Capital Expenditure**

Capital Investment Appraisal

Return on Investment

Payback Period

Net Present Value

Internal Rate of Return

Lease or Buy Decisions

Tax Implications thereof

## **Working Capital Control**

Inventory Control

Accounts Receivable

Accounts Payable

Reconciliation of Sub-ledgers

Other Current Assets & Current Liabilities

Tax and Deferred Taxation

## **Cost Accounting**

Total Absorption Costing

Marginal Costing

Contribution Margin

Break-even Analysis

Sensitivity Analysis

## Comparison with Actuals

Ratio Analysis

Vertical Balance Sheet & P&L Statement

Horizontal Balance Sheet & P&L Statement

Variance Analysis

Price Variance

Quantity Variance

Mix Variance