

# INTRODUCTION TO FINANCIAL MANAGEMENT

## Day 1

### 1. Traditional methods for cost calculation

- a. Absorption costing
- b. Marginal costing

### 2. Budgeting activity

- a. Fixed budgets
- b. Flexible budgets
- c. Flexed budgets

### 3. Short term decision making

- a. Relevant costs

### 4. Basic variances

## Day 2

### 1. Financial Information Structure

- a. Users of financial information
- b. Definitions and examples of the elements of the financial statements: assets, liabilities, equity, income and expenses
- c. The main financial statements: balance sheet, income statement, cash flow statement

### 2. Double entry-accounting

- a. Explaining double entry concepts both in terms of
  - Debit / credit and
  - Increases / decreases of assets and liabilities or income and expenses

### 3. Accruals and Prepayments

- a. Definitions
- b. The impact of accruals and prepayments on the company's profitability

### 4. Fixed Assets and Depreciation

- a. Capital expenditure and operational expenses
- b. Methods of depreciation

### 5. Bad and Doubtful Debts

- a. Types of receivables/debts
- b. Accounting treatment
- c. Defining the provisions concept