

Core Financial Concepts

Finance 101

Summary

This hands-on course will provide the participants with an overview of the core financial concepts that are applied by investment and finance professionals on a daily basis. Time value of money, debt pricing and ratings, reading financial statements and many other skills will be covered.

This survey style course will include exercises during the day that will be used in order to cement core concepts.



Prerequisites

None.



Timing

This course requires 1 day.

Learning Topics

1. Finance Fundamentals

- ✓ Discuss time value of money and its application in finance
- ✓ Review fixed income math and market drivers of fixed income return
- ✓ Discuss credit ratings and their impact on fixed income pricing
- ✓ Review alternative forms of debt such as ABS, levered loans and private placements
- ✓ Review other financial products such as swaps and options

2. Valuation Overview

- ✓ Review a set of financial statements so that the participants can begin to discuss the concepts of valuation
- ✓ Understand the build-up of Enterprise Value and adjustments made for valuations and comparison purposes
- ✓ Review the impact and choices of debt versus equity financing
- ✓ Explore the concepts of risk and return and the calculation of cost of capital

3. Valuation Approaches

- ✓ Review the three primary methods of valuation:
 - Comparable Trading Analysis
 - Precedent Transaction Analysis
 - Discounted Cash Flow
- ✓ Understand EBITDA, Earnings, Cash Flow from Operations, Book Value and many other common valuation metrics