

MANAGEMENT FUNDAMENTALS



LEARNING GOALS

- Interpret financial statement
- Better understand your financial partners (chartered accountant, auditor, banker and CFO)
- Have a "passport" for the financial analysis

WORD FROM THE AUTHOR – Franck NICOLAS

« You know that cash flow and net income (or loss) are fundamental concepts for managing your business. By understanding the consequences of depreciation, stock control and provisioning, you can anticipate and better control the presentation of your financial statements. Good management is all about forward planning? »

Level

Initiation

Intermediate

**4
Modules**

5 H



** As part of our learning approach, we study the perpetual inventory method in order to understand the balance sheet-only movements that affect stock value with each transaction, without first looking at purchases of materials or goods for resale on the income statement in line with the periodic inventory method (which we employ afterwards).*

M11 – THE BALANCE SHEET CONCEPT

Learning objectives

- Understand what a balance sheet is
- Understand the principle of balancing the uses and sources of funds
- Identify the overall framework and the different line items

Word from the author

« I have designed this course for anyone who wants to quickly and effectively analyse a balance sheet through its key figures.

The balance sheet is a key management tool. We can use it to more accurately understand our own business and our competitors, and to check the financial health of our customers. »

Chapters

- Uses and sources of funds
- Constructing a balance sheet
- The main account headings

Quiz

M12 – INCOME STATEMENT

Learning objectives

- Understand how net income or loss is calculated
- Understand what net income or loss means
- Understand the different income statement line items

Word from the author

« The net income or loss for the year is a key figure for both managers and investors.

However, it is vital that we understand what is behind this income figure, by distinguishing between the underlying operating, financial and exceptional elements. »

Chapters

- Calculating net income or loss
- Net income or loss and changes in shareholders' equity
- Income statement: economic approach
- Income statement structure

Quiz

M13 – THE UNDERLYING PRINCIPLES BEHIND ACCOUNTING TRANSACTIONS

Learning objectives

- Understand the relationship between the balance sheet and the income statement
- Understand the difference between net income or loss and the cash position
- Understand the main accounting transaction movements and their impact on the balance sheet and income statement

Word from the author

« As a manager or director, you know that cash flow and net income (or loss) are fundamental concepts for managing your business.

It is therefore essential that we understand these concepts and that we are able to measure the impact of the company's main activities on both cash flow and net income (or loss).

I designed this course to teach you about these mechanisms. »

Chapters

- The cash concept
- Transactions with no impact on net income or loss
- Transactions that affect net income or loss

Quiz

M14 – PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

Learning objectives

- Understand the concepts behind changes in stock levels and value
- Discuss the role of stock in the financial statements
- Learn how to manage provisions and year-end net income or loss
- Understand fixed asset depreciation and amortization and the different types of depreciation and amortization

Word from the author

« Management decisions have a direct impact on your company's financial statements.

By understanding the consequences of depreciation, stock control and provisioning, you can anticipate and better control the presentation of your financial statements. »

Chapters

- Stocks
- Depreciation and amortisation
- Impairment losses and provisions for risks and contingencies
- Accounting principles and year-end decisions

Quiz