

# Finance for the Non-Financial Manager



The interpretation of financial information (financial statement analysis) and the process of choosing between competing investment opportunities (capital budgeting) are fundamental facets of managerial decision-making. The allocation of resources on the part of investors, creditors, and internal managers hinges crucially on the availability of reliable and timely information about a firm's financial position, risk and profitability. When properly drafted and interpreted, financial reports such as the balance sheet, the income statement and the statement of cash flows are the main source of this information. Understanding the basics of financial statement analysis--and its interpretation--are, therefore, an important aspect of the process of allocating resources to a firm and to projects within a firm. Once the firm's financial position is understood, the decision as to whether a new project should be undertaken, possibly among a menu of alternative available projects, defines the process of capital budgeting. Contrary to financial statement analysis, capital budgeting is a forward-looking operation which requires accurate estimates of the future revenues and costs associated with competing projects, estimates of the projects' future cash flows, and careful sensitivity analysis of these estimates to changes in the initial assumptions. The goal is, of course, to choose the best investment opportunity among those that are available. Doing so in an uncertain environment requires care.

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## **COURSE OBJECTIVES**

The first part of this course (first day and first half of the second day) takes a backward-looking approach to the analysis of a firm and evaluates its past and current financial position, risk and profitability by virtue of a thorough discussion of its financial reports. This is the process of financial statement analysis, a process which should lead to meaningful strategic recommendations. The second part of the course (second half of the second day and third day) takes a forward-looking approach to a firm's operations by illustrating the steps needed for effective capital budgeting. Selecting a project among a menu of possible projects is arguably the single most relevant decision which companies make. The two components are presented in an integrated way which is intended to highlight their conceptual relation and their complementary role in the context of effective managerial decision-making.

## **FACULTY**

Federico M. Bandi, PhD (Economics, Yale University) joined the Johns Hopkins Carey Business School in 2009. He is a Professor in the research track with expertise in the areas of financial econometrics, continuous-time asset pricing, and empirical market microstructure.

## **FEES**

(includes required materials, gourmet breakfast, and lunch)

- \$3,800 for the 3-day seminar
- 20% discount to JHU and JHHS employees
- JHU employees may use tuition remission for the seminar

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## **LOCATION**

Baltimore Harbor East

# Course Schedule



## DAY 1

8:00AM - 8:30AM  
8:30AM - 12:00PM

REGISTRATION AND BREAKFAST  
MORNING SESSION (INCLUDING A COFFEE BREAK)



12:00PM - 1:00PM  
1:00PM - 4:30PM

LUNCH AND AFTERNOON PREPARATION  
AFTERNOON SESSION (INCLUDING A COFFEE BREAK)



## DAY 2

8:00AM - 8:30AM  
8:30AM - 12:00PM

REGISTRATION AND BREAKFAST  
MORNING SESSION (INCLUDING A COFFEE BREAK)



12:00PM - 1:00PM  
1:00PM - 4:30PM

LUNCH AND AFTERNOON PREPARATION  
AFTERNOON SESSION (INCLUDING A COFFEE BREAK)



## DAY 3

8:00AM - 8:30AM  
8:30AM - 12:00PM

REGISTRATION AND BREAKFAST  
MORNING SESSION (INCLUDING A COFFEE BREAK)



12:00PM - 1:00PM  
1:00PM - 4:30PM

LUNCH AND AFTERNOON PREPARATION  
AFTERNOON SESSION (INCLUDING A COFFEE BREAK)

