

# **Overview of Corporate Finance and Mergers and Acquisitions**

## **Course Outline – One-day**

**Date:** 13 April 2007 Singapore

**Duration:** One-day (0900-1700)

**Level:** Foundation

**Pre-Requisites:** No pre-course requirements

**Fee:** USD 750 + GST

**Learning in Teams:** For every 4 delegates you enroll onto this course, the 5<sup>th</sup> person attends **FREE**

**Enrolment Deadline:** Friday March 23<sup>rd</sup> 2007

### **Course Description:**

This course, designed for operations personnel, focuses on the fundamentals of corporate finance and mergers and acquisitions. In Overview of Corporate Finance and Mergers and Acquisitions, participants will obtain a solid foundation in key concepts underlying the analysis and execution of financial decisions and demonstrates how financing decisions impact a firm's value. This program provides an overview of the major facets of the industry and the skills engaged in executing transactions. The course also addresses theories underlying M&A, domestic and global transactions, as well as key legal and accounting issues. The course is interactive and is comprised of lecture, a case study, and articles about recent developments in business valuation techniques.

### **Course Objectives:**

- Define corporate finance and mergers and acquisitions
- Demonstrate a practical understanding of the core concepts of financial models for securities
- Demonstrate application of these skills to solve a variety of investment related problems
- Recognize the common motivations for acquisitions and the reasons many are unsuccessful
- Identify the methods of structuring a business acquisition

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### **Session 1: Introduction to Corporate Finance**

- The importance and benefits of Corporate Finance
- Examples of where and how Corporate Finance is used
- Investment decisions and financing decisions

### **Session 2: Time Value of Money**

- Present and Future Value
- Compounding (annual, periodic, continuous)
- Annuities and Perpetuities

*Article*

### **Session 3: Capital budgeting**

- Process of capital budgeting
- Identifying cash flows
- Inflation i.e., constant vs. current dollar cash flows
- Issues around identification of cash flows

### **Session 4: Payback and Discounted Payback**

- Drawbacks: time value of money; life after payback period
- Internal Rate of Return (IRR)
- Drawbacks: lending/borrowing; multiple rates of return; mutually exclusive projects
- Net present value (NPV)
- Making decisions with NPV
- Separating the financing and investment decisions

*Case Study*

### **Session 5: Brief Review of Financial Statements**

- Income Statement
- Balance Sheet
- Cash Flow Statement
- Issues with accounting numbers
- Cash Flow Statement
- Accruals not cash flows
- Differential interpretation of GAAP
- International differences in GAAP

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**Session 6: Forecasting Cash Flows**

- Review - What is cash flow?
- NOPAT and free cash flows
- Key areas to forecast
- Determining the length of the forecast period

**Session 7: Overview of Mergers and Acquisitions**

- Market trends
- Motivation for mergers and acquisitions
- Historical results of mergers and acquisitions
- Acquisition Structure

*Case Study*

**Summary Conclusion and Question and Answer Session**