

Foundations of Finance

Objectives

The **Foundations of Finance** program lays a solid foundation of financial insight and understanding for every professional whose work is related to finance but who lacks the necessary finance background.

Throughout this intensive 2.5 week program, participants will be exposed to the main principles underlying corporate finance. Real world application will be learnt through extensive use of case studies and spreadsheet exercises. The program includes an optional two-day preparatory session for those who do not already have a basic understanding of financial calculations and statistics.

Key benefits

By attending this program, you will:

- Enhance your understanding of the accounting information contained in company annual reports
- Deepen your ability to analyze how financial statement information captures and reflects the critical factors of risk and success in the competitive environment and strategy of firms
- Improve your understanding of current financial trends and international financial markets
- Develop a broad set of skills to succeed in equity investments and in acquisitions
- Deepen your knowledge of risk management and learn how corporates hedge financial and non-financial risks

Who should attend?

Typical participants in the *Foundations of Finance* training course are ambitious professionals in banking, investment or corporate finance environments who require a solid foundation on which to build a career. Professionals in other fields, with an interest or need to understand the principles of finance will also benefit from this program. Foundations of Finance can be used as a stepping stone to more advanced AIF courses.

Dates & Fees

June 21 – July 6, 2012

€ 9,850

€ 8,750 Less first 2 days



Faculty

Luisa Alemany is Associate Professor of the Financial Management and Control Department at ESADE.

Pierre Hillion is the de Picciotto Chair at INSEAD in Alternative Investments and Visiting Professor at UCLA and CalTech in the USA.

Paolo Fulghieri is Professor of Finance at the Kenan-Flagler Business School of the University of North Carolina, USA.

Matti Suominen is Professor of Finance at the Aalto University in Helsinki.

Claude Viallet is Emeritus Professor of Finance at INSEAD where he has been teaching since 1978.

Optional Preparatory Session (two days)

BASIC FINANCIAL CALCULATIONS AND ELEMENTARY STATISTICS

Financial Calculations and Valuation

- The basics of valuation: compounding, discounting and present value

Basics of Investment

- Elementary statistics for finance: asset returns, expected return; Introduction to risk: the normal distribution, standard deviation; Introduction to portfolio issues: covariance, correlation

Week 1 (six days)

FINANCIAL DIAGNOSIS AND MANAGEMENT

Corporate Finance and Financial Accounting System

- The issues addressed in modern corporate finance; Understanding accounting statements and their role in corporate finance; Using accounting statements for financial diagnosis

Financial Diagnosis and Managerial Efficiency

- Improving a firm's liquidity; Generating cash flows; Creating value

VALUATION PRINCIPLES

- Discounting and compounding; Project appraisal methods; Capital budgeting

FINANCIAL MARKETS: RISK AND RETURN

- Different capital budgeting rules; Introduction to financial markets: risk and return; Portfolio theory and the CAPM; Market efficiency

VALUATION AND FINANCING

Valuation of Companies

- Forecasting free cash-flows; Estimating residual value; Calculating the WACC

Optimal Capital Structure

- Taxes and capital structure; Impact of agency costs of debt and equity; Impact of asymmetric information

Week 2 (five days)

EQUITY FINANCING

Equity Financing

- Market timing; General public offerings and rights issues; The market reaction to new issues

Equity Financing and Underwriting

- Private equity and venture capital; Public equity offers / IPOs and the role of underwriters; Best efforts versus firm commitment contracts

RISK MANAGEMENT

Swaps, and Forwards & Futures Contracts

Option Contracts

Corporate Bonds

Hybrids and Convertibles

"A perfect foundation for every professional whose work is related to finance."

Project Developer Essent, The Netherlands