SYLLABUS

Diploma in Corporate Finance

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The Diploma in Corporate Finance is offered over six two day modules, plus a one day optional session on Financial Modelling using MS Excel. Assessment is comprised of a mix of continual assessment and a final examination. The assignments will be designed to test and develop your understanding of the topics covered in the course.

Modules are presented by experienced Corporate Finance professionals with significant training and presentation experience. Modules may also feature guest speakers with professional experience of specific topics, providing a practical insight into application beyond theory.

**Modules overview**
1. Introduction to corporate finance, shareholder value & risk, ratio analysis & financial modelling
2. Investment decisions
3. Financing and treasury decisions
4. Valuation and capital markets
5. Corporate transactions
6. Business Restructuring
7. Financial modelling (Optional)

**Objective**
This Diploma is designed to equip those who are working in or advising on Corporate Finance with the knowledge, techniques and tools they require to for their demanding jobs. By the end of the course, graduates will be able to apply these in evaluating, planning and executing corporate finance transactions.

**Learning outcomes**
The Diploma in Corporate Finance provides a practically-grounded, transactions-oriented qualification. On successful completion of this course participants will have acquired the foundation knowledge, understanding and tools required for the effective execution of corporate finance transactions.
MODULE 1
SHAREHOLDER VALUE, RISK AND FINANCIAL ANALYSIS

Learning Outcomes
On successful completion of this Module participants will have a clear understanding of the use and limitations of corporate finance and of the relationship between risk, expected return and firm valuation. Participants will understand the key methods by which corporate finance may boost shareholder value. Participants will be able to analyse a firm’s financial situation from its financial statements and to model a firm’s financial future.

Core Course Contents

Module 1.1 – Cormac Lucey
• Introduction to course
• The use and limitations of corporate finance
• Financial mathematics
• The relationship between a firm’s risk, expected rate of return and shareholder value

Module 1.2 – Cormac Lucey
• How a firm uses corporate finance to manage for shareholder value
  • corporate strategy
  • investment decisions
  • funding decisions
  • pay-out decisions
• Other topics in shareholder value
  • Investor relations
  • Corporate governance
  • Compensation strategy
  • Taxation
• Financial analysis
  • Ratio analysis
  • Financial modelling
  • Brokers’ reports - what brokers look for
  • Accounting for corporate finance transactions

Module 1 Supplementary Reading

“Creating Shareholder Value”
Rappaport

“Mastering Fundamental Analysis”
Thomsett

“Value Investing – From Graham to Buffett and Beyond”
Greenwald, van Biema, Khan and Sonkin

MODULE 2
INVESTMENT DECISIONS

Learning Outcomes
On successful completion of this Module participants will be able to analyse investment decisions facing firms and estimate their cost of capital using a variety of techniques. Participants will be able to estimate where they find themselves in the business cycle, with a view to improving their acquisition / disposal record.

Module 2.1 – Cormac Lucey
• Net asset value
• Payback
• P/E multiple
• Internal rate of return
• Net present value
• Sensitivity analysis
• Discounted cash flow CF with complications

Module 2.2 – Cormac Lucey (Guest speaker on tax)
• Cost of capital, what it really means and its relationship to risk and shareholder value
• Cost of capital and the case of small firms
• Tax planning (guest speaker TBC)
• Investment decisions and the business cycle

Supplementary Course Contents
• Regulation – advisors
• Regulation - investments

Texts – Core
“Corporate Finance Principals and Practice” by Danzil Watson & Antony Head
Learning Outcomes
On successful completion of this Module participants will be able to analyse a firm’s capital structure in light of the firm’s risk profile and to identify relevant source of finance and their likely cost.

Module 3.1 – Cormac Lucey
- Source of finance
- Equity
- Debt
- The financial leverage decision
- The expected relationship between a firm’s intrinsic risk and its financial risk
- Treasury management
- Interest rate risk
- Commodity / currency risk
- The pros and cons of hedging
- Different hedging instruments

Module 3.2 – Cormac Lucey
- The differing perspectives of lenders and borrowers towards debt (Guest speaker TBC)
- Debt capacity
- Identifying the appropriate debt/equity mix: Modigliani & Miller, theory and practice
- Dividends and share buybacks: theory and reality
- Current transaction yardsticks and trends

Supplementary Course Contents
- Banking law
- Financial instruments / activities:
  - Contracts for difference (CFDs)
  - Options, including accounting treatment
  - SWAPs, including accounting treatment
  - CDOs, including accounting treatment
  - ESOPs
  - Securitisation
  - Securities lending

Texts - Core
“Corporate Finance Principals and Practice” by Danzil Watson & Antony Head

Texts - Supplementary
“The Risk Management Process” by Culp

Learning Outcomes
On successful completion of this Module participants will be able to apply a variety of techniques to reach a plausible valuation of a firm, analyse differences in valuations between firms and take an informed view on the valuation level of the overall market in the context of secular and cyclical valuation trends.

Module 4.1 – Cormac Lucey
- Valuation (Guest Speaker -TBC)
  - The valuation context
  - Valuing control
  - IPO
  - Acquisition
  - Minority
  - Family / shareholder dispute
  - Traditional valuation measures
  - P/E valuation and its pitfalls
  - DCF valuation
  - Valuation multiples and their calculation
  - Complications in DCF valuation
  - Sources of information

Module 4.2 – Cormac Lucey
- Capital Markets
  - Players (hedge funds, pension, private equity etc)
  - Portfolio management
  - Behavioural finance
  - Economics and valuation
  - Valuing the overall market
  - Economic bubbles, busts and their impact on value

Supplementary Course Contents
- Valuing a financial institution (banks and insurance)
- CFROI
- Real option valuation (including impact in different sectors)

Texts - Core
“Corporate Finance Principals and Practice” by Danzil Watson & Antony Head

Texts - Other
“Valuation” by McKinsey
MODULE 5
CORPORATE TRANSACTIONS (3 DAY)

Learning Outcomes
On successful completion of this Module participants will be able to identify and advise on key issues (Structure, auction, pricing, risks, due diligence, exits) that arise from change of control transactions such as buyouts, mergers and acquisitions.

Module 5.1 - Caoimhe Gliblin
Day 1 will feature a case study (split into groups) dealing with the following matters:

- Acquisitions
- Disposals
- MBOs / MBIs (Guest Speaker TBC)
  - Process
  - Reporting
  - Earnouts

Module 5.2 - Caoimhe Gliblin
- Negotiations
- Due diligence
- Legal documentation (Guest Speaker TBC)

Module 5.3 –Caoimhe Gliblin
- IPOs (Guest Speaker)
  - Process
  - Valuation / costs
  - Reporting accountants
- Project finance
- PPPs – Public Private Partnerships (Guest Speaker)

Supplementary Course Contents
- Regulations
  - Yellow book
  - Blue book
  - Contract law

MODULE 6
BUSINESS RESTRUCTURING

Learning Outcomes
On successful completion of this Module participants will be able to identify and advise on key issues arising from business restructuring and will have a full understanding of the special features of the corporate finance environment for SMEs.

Module 6.1 - Cormac Lucey
- Business Restructuring
  - The key pre-condition: understanding your business
  - The key measure: ROCE versus cost of capital
  - The key steps: restructure, sell or close
  - Legal aspects of business restructuring
- Corporate Finance needs for SMEs (Guest Speaker – Tom Murray)
  - Sources of Finance
  - Additional risks facing SMEs and their implications for cost of capital
  - Valuations
  - M&A

Texts - Supplementary
“Strategic Cost Reduction”
Tim McCormick & Dermot Duff, CAI
Learning Outcomes
On successful completion of this Module participants should be able to construct detailed financial models and be able to make full use of advanced spreadsheet features.

Module – Cormac Lucey
- Financial modelling using MS Excel

Texts - Supplementary

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Learning Outcomes
On successful completion of this Module participants will have a clear understanding of the process and phases of negotiation and ways to build win-win solutions for all those involved. Throughout the module, participants will become aware of their own negotiation and conflict style and will be equipped with the knowledge and skills to prepare and execute a successful negotiation.

Module – Fiona Buckley
- Understanding and Planning the Negotiation Process
- The Three Phase Negotiation Process
- Bargaining Tactics and Techniques
- Negotiation models and Frameworks
- Negotiation Planning and Preparing
- Delivery, Execution and Close of the Negotiation
- Negotiation Skills
- Dealing with difficult personalities
- Dealing with your emotions
- Conflict Management
- Closing the Negotiations
- Action plan