

Financial performance management

Number of ECTS : 3
Language of instruction: English

Course leader: Amélie Ruellan

Course description

The top management and board of the company define a strategy with five-year or three-year objectives. Finance Department will then check the profitability generated by this strategy and its impact on cash flow. Once the strategy has been adopted, the budgets and dashboards will be used to implement it within the company and to monitor financial performance.

The analysis of the variances between the forecasts and the actual figures and the monitoring of the dashboards make it possible to analyse whether the outcomes are in line with the expectations and the validated strategy. These tools enable therefore to implement corrective actions if necessary.

Course objectives

Students should be able to:

- draw up and analyse the cash flow budget and the provisional income statement to make recommendations.
- calculate and analyse turnover and total margin variances for single and multiple products and make recommendations.

Tackled concepts

- Estimated budget
- The least-squares regression line
- Seasonal coefficients
- Provisional income statement and balance sheet
- Dashboards
- Turnover variances
- Margin variances
- Direct cost variances

Learning methods

Two teaching methods will be adopted to reach the learning goals above: lectures and case studies.

Expected work and evaluation

Students will be required to work on self-correction cases between classes which will be available on Blackboard. The students will also have to prepare a study case which will be corrected in class.

The class will be marked by means of continuous assessments:

2 continuous assessments (30 min each): calculation of management tools and analysis

A two-hour exam. The exam will be composed of three parts: calculation of managements tools, analysis, and recommendations.

Bibliography

Accounting for non-accounting students John G. Dyson and Ellie Franklin, London Pearson 2017

Business journals (in French):

Finance et Gestion
DAF magazine

Learning objectives

C4B learning goal

C4B learning objective

Outcomes

LG2 - Action

LO5 - Evaluate, prevent and manage short, medium and long-term risks

Niv. 1 - Locate and state overall risks characterizing a situation