

Financial Forecasting: **Tools and Applications**

Course Description

Business and financial forecasting is of extreme importance to managers at practically all levels. It is required for top managers to make long-term strategic decisions. Middle management uses sales forecasts to develop their departmental budgets. Every other plan such as a production plan, purchasing plan, manpower plan, and financial plan follows from demand forecasting. The critical element in any supply chain plan is the demand forecast.

The goal of this course is to provide a working knowledge of the fundamentals of business forecasting that can be applied in the real world regardless of firm size. We walk you through basic forecasting methodology, and then practical applications. It encompasses a wide range of topics of major importance to practical managers in all functional areas, including cash flow forecasting, cost prediction, earnings forecasts, bankruptcy prediction, foreign exchange forecasting, interest rate forecasting, and technological forecasting.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 8 (CPA)

Category: Finance

Prerequisite: Math

Advanced Preparation: None

Course Learning Objectives

Chapter 1: Forecasting and Managerial Planning

After completing this chapter, you should be able to:

1. Identify various aspects of forecasting methods.

Chapter 2: Forecasting, Budgeting, and Business Valuation

After completing this chapter, you should be able to:

1. Identify the important steps to budgeting
2. Recognize the value of sensitivity analysis.
3. Identify factors in the computation of business valuation.

Chapter 3: Moving Averages and Smoothing Methods

After completing this chapter, you should be able to:

1. Recognize the special features of naive forecasting models.
2. Recognize smoothing techniques.

Chapter 4: Time Series Analysis, Classical Decomposition, and Forecasting with No Data

After completing this chapter, you should be able to:

1. Identify the basic components of the time series data.
2. Recognize the steps to perform decomposition of time series.
3. Recognize life cycle stages for new products.

Chapter 5: Indirect Methods and Evaluating Forecasts

After completing this chapter, you should be able to:

1. Identify assumptions used to forecast sales with the Markov model.
2. Understand the value of performing market surveys for forecasting.
3. Recognize methods of comparing a predicted forecast change with the observed change.
4. Identify how to measure and rank accuracy of forecasts.

Chapter 6: Sales and Revenue Forecasting, and Forecasting the Economy

After completing this chapter, you should be able to:

1. Identify the value of a combination method of sale forecasting.
2. Recognize the use of different econometric models.
3. Identify some sources of economic data that can be used to improve forecasts

Chapter 7: Financial Forecasting

After completing this chapter, you should be able to:

1. Identify the steps in projecting financial needs for the firm.
2. Recognize the implication of earnings forecasts and the Sarbanes-Oxley Act requirements.
3. Identify different sources provided from security analysts for earnings projections.

4. Identify benefits and methods of forecasting the cash collection pattern.

Chapter 8: Cost Behavior, Cost Prediction , and Bankruptcy Prediction

After completing this chapter, you should be able to:

1. Differentiate the costs found in a company.
2. Recognize different methods for estimating costs.
3. Identify bankruptcy prediction models and the limitations of some methodologies.

Chapter 9: Forecasting Foreign Exchange Rates

After completing this chapter, you should be able to:

1. Recognize the reasons for managers to forecast the foreign exchange rates.

Chapter 10: Interest Rate and Technological Forecasting

After completing this chapter, you should be able to:

1. Identify the different aspects of interest rate forecasts
2. Identify characteristics and accuracy of technological forecasting.
3. Identify the trends that affect the future of forecasting.