

Analyzing Business Cash Flow

Analyzing Business Cash Flow is a one-day workshop that provides a comprehensive look at the concepts of cash flow and the analysis of cash flow statements, with an emphasis on evaluating a company's borrowing needs and debt repayment ability. This course builds on the learner's existing credit analysis skills to show how a thorough understanding of cash flow can complement the analysis of the income statement and balance sheet and lead to better credit decisions.

Course Objectives

After completing this course, learners will be able to:

- Use a conceptual understanding of cash flow to quickly identify the primary sources and uses of cash for a company
- Explain the relationships between the cash flow statement and the balance sheet and income statement
- Identify how changes in a company's working capital may be affecting its cash flow
- Compare and contrast different presentations of the cash flow statement
- Use cash flow analysis to identify changes in performance, expected repayment ability and potential credit risks
- Discuss cash flow and working capital management issues with their clients

Course Content

- Identifying common sources and uses of cash
- Business cash cycles
- The effect of working capital changes on cash flow
- Cash flow statement presentations
- Evaluating cash flow adequacy and debt repayment ability
- The pros and cons of commonly used debt service ratios
- Implications for transaction structure

Analyzing Business Cash Flow (continued)

Course Units

- Unit 1 – Credit Risk Assessment and Cash Flow
- Unit 2 – Measuring Cash Flow
- Unit 3 – Analyzing the Cash Flow Statement
- Unit 4 – Cash Flow and Transaction Structure

Target Audience

Analyzing Business Cash Flow is designed for experienced bankers who want to enhance their understanding of cash flow to better interpret credit risk and meet the needs of their clients. It is also appropriate for credit analysts and entry-level bankers who have completed a new hire program.

Delivery Options

This highly interactive one-day workshop is delivered in a classroom setting by experienced Edge instructors.

Course Materials

Each set of participant materials includes:

- Complete explanations of concepts, examples, and exercises with answer keys
- Review sections at the end of each module, highlighting key concepts.
- Case studies that allow the learner to practice each new skill throughout the day

To learn more about this course or any of the other courses in Edge Development Group's Credit Skills Curriculum, call (412) 343-0105 or visit our website.



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