



corporate training options

Accounting Essentials Training **Managing by the Numbers**

Overview & Learning Outcomes

Upon successful completion of this course you should be able to:

- Learn how various business transactions are reflected in the financial statements
- Identify the five cost categories and their components
- Explore the three types of costs and their effect on profitability
- Understand the concept and calculation of break-even analysis
- Learn about operating leverage and its impact on profitability
- Discover the various influences on determining the appropriate price for a product or service
- Understand the problem-solving process of identifying costs relevant to decision-making

Prerequisites

There are no pre-requisites for this course.

Duration:

1 Day

Courseware:

High quality learning materials are available for purchase by participants.

Corporate Training Options

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Ph: 1300 667 660 Email: training@cto.com.au Web: www.cto.com.au



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Accounting Essentials : Managing by the Numbers Training Course Outline

Getting the Right Numbers

Qualitative vs. Quantitative Decision-Making

Standards

Effective and Efficient Decisions

Constraints

Review of the Financial Statements

The Balance Sheet and Income Statement

Statement of Cash Flow

What the Financial Statements Do Not Tell You

Making Money

Maximizing Profit or Minimizing Cost

Thinking in Units

Defining Cost

Identifying Costs and Their Behaviours

Fixed, Variable, and Mixed Costs

Relevant Range

Cost Per Unit

Cost Categories on the Income Statement

Discerning Variable Costs

Discerning Mixed Costs

Controlling Costs

Contribution Margin on the Income Statement

Activity-Based Costing

Non-Value-Added Activity

Am I Breaking Even?

The Cost-Volume-Profit Graph

The Contribution Margin Approach to Break-Even

Calculating "What If" Profit

Margin of Safety

Operating Leverage

Defining Operating Leverage

Operating Leverage and the Bottom Line

Influences on Pricing

Pricing in Line with the Competition

Trade-Offs Between Price and Demand

Elasticity of Demand Illustrated

Market and Cost Influences on Pricing

Qualitative Factors in Relation to Price

Making the Numbers Work for You

Responsible Decision-Making

Quality Management

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