



Institute  
Project  
Management

# Finance for Project Managers

Ireland's Premier  
Project Management  
Certification Authority

The language of management ultimately translates into money. Project managers need to be financially literate. They need not be experts, but need to be able to interpret figures and understand what lies behind them.

This course teaches project managers the core fundamentals of finance and accounting in a way that is clear and understandable, allowing for easy translation to your real situations.

You will gain a practical understanding of how to use financial data to inform and impact the decision-making process. You can apply the content of the programme to your own project or managerial circumstance to make more informed decisions within your organisation.



## Who should attend?

Strong financial understanding and application is a requirement of any manager in today's workplace. This course is specially designed for project managers and other stakeholders to broaden their understanding of financial concepts and how these concepts apply to decisions to invest in projects and the expected rates of return. It aims to give a thorough grounding in financial management and the provision of financial information (reporting) on projects.

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# Learning Outcomes

- Feel confident with finance professionals and ask relevant questions
- Understand the balance sheet and profit & loss accounts
- Understand accrual accounting and its relevance to operational and project accounting
- Understand the cash flow statement and differentiate between profit and cash flow
- Distinguish between capital and operating expenditure
- Understand the meaning of working capital
- Use practical ratios and measurement tools to assess company and individual project performance
- Understand the concepts of gearing, liquidity, efficiency, break-even analysis and profitability
- Prepare proposed project financial evaluations using established Cost Benefit Analysis techniques

## Course content

### Introduction

- Goals of financial management
- Cash cycle of the enterprise
- Reporting the results: the 4 financial statements

### Financial Statement Analysis

- Profit & Loss Account
- Balance Sheet
- Fixed costs and break-even analysis
- Understanding changes in owner's equity and financial position
- Measurements of business performance: ratio analysis – profitability, liquidity, working capital efficiency, gearing and return on investment
- Strategic financial analysis
- Financing a project

### Project Budgeting and Methods to Evaluate Cash

- Factors affecting discount rates
- Capital budgeting
- Accounting rate of return, ARR or ROI
- Payback period
- Net present value (NPV)
- Internal rate of return (IRR)
- Types of budgets
- Risk management
- Asset management
- Fixed assets and depreciation

### Controlling the Project

- Controlling schedules and budgets
- Organisational requirements for project control
- Earned value metrics (EVM)
- The value of real-time ABC for control
- Example: application of earned value techniques