CONTENTS

Introduction		7
1	The Finance Organisation	9
	Financial accounting	14
	Management accounting	17
	The treasury function	17
2	The Profit and Loss Account and Balance Sheet	19
	The final accounts	19
	Profit and Loss Account	22
	Balance Sheet	25
3	A coounting Consents	29
3	Accounting Concepts	29
	Basic concepts Accounting policies	30
	Historical accounting and inflation accounting	31
	Depreciation of fixed assets	34
4	Interpreting the Financial Accounts	39
	The Stock Exchange	39
	The users of the accounts	45
	The use of ratios	47
5	Management Accounting	55
	Costing systems	55
	Classification and allocation of costs	56
	Fixed and variable overheads	59
	Marginal costing	60
	Standard costing	63

FINANCE FOR MANAGERS

6	Controlling Cash Resources	67
	Cash flow statement	67
	Sources and application of funds statement	68
	Control of working capital	71
7	Planning	75
	Business planning	75
	Project planning	77
	Evaluation techniques	79
8	Groups of Companies	85
	Group structures	85
	Overseas operations	88
	Acquisitions and goodwill	90
	Managing a group of companies	97
	Conclusions	100
9	Taxation	103
	Taxable profits and tax payable	103
	Balancing charges and balancing allowances	104
	Timing differences and permanent differences	106
	Date of payment	107
10	Foreign Currencies and Export Finance	109
	Foreign currencies	109
	Export finance	113
11	Research and Development	121
_	Capitalisation of development costs	122
12	Creative Accounting	127

141

Index