



## CFMA Global Syllabus/Outline

Certified Financial & Management Advisor

CODE	TITLE OF SUBJECTS / COURSES	ACRONYM	CLASS LECTURES	CREDIT HOURS
<b>CFT (Certified in Finance &amp; Technology)</b>				
CFT-01	Financial Accounting and Reporting	(FAR)	120	9
CFT-02	Economics and E-Commerce	(EEC)	120	9
CFT-03	Sustainability, AI and ESG	(SAE)	120	9
CFT-04	FinTech, ERP and Business Intelligence	(FEB)	120	9
<b>PFM (Professional Financial Manager)</b>				
PFM-01	Financial and Managerial Analysis	(FMA)	150	10
PFM-02	Audit Assurance and Advisory	(AAA)	150	10
PFM-03	Management & Cost Accounting	(MCA)	150	10
PFM-04	Corporate and Tax Laws	(CTL)	150	10
<b>FMA (Financial &amp; Management Advisor)</b>				
FMA-01	Strategic Financial Analysis	(SFA)	180	12
FMA-02	Advance Corporate Finance	(ACF)	180	12

### QUALIFICATION STREAM

CFMA	Certified Financial & Management Advisor
ACFMA	Associate Member of CFMA
FCFMA	Fellow Member of CFMA

Certified Financial & Management Advisor

# CFT (Certified in Finance & Technology)

## CFT-01: Financial Accounting and Reporting (FAR)

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### Course Outline:

#### 1. Introduction to Financial Accounting

- **Basic Accounting Principles:** Covers foundational concepts like the accrual principle, matching principle, and consistency.
- **The Accounting Cycle:** Introduces steps from journal entries to trial balances and closing entries.
- **Preparation of Financial Statements:** Guides on preparing income statements, balance sheets, and cash flow statements.

#### 2. Intermediate Financial Accounting

- **Revenue Recognition (IFRS 15):** Explains the five-step model for recognizing revenue.
- **Inventory Valuation (IAS 2):** Focuses on valuation methods like FIFO, LIFO, and weighted average cost.
- **Long-Lived Assets:** Discusses acquisition costs, depreciation methods, impairment testing, and disposal of assets.

#### 3. Advanced Financial Reporting

- **Consolidation of Financial Statements (IFRS 10, IFRS 3):** Preparing consolidated financial statements for parent-subsidiary structures.
- **Segment Reporting (IFRS 8):** Covers the disclosure of financial information for different operating segments.
- **Foreign Currency Transactions and Hedging:** Discusses accounting for exchange rate fluctuations and financial instruments for hedging.

#### 4. Comprehensive IFRS Standards

- **Leases (IFRS 16):** Accounting for lease contracts from lessee and lessor perspectives.
- **Employee Benefits (IAS 19):** Covers pension plans, defined benefit obligations, and actuarial gains/losses.
- **Provisions, Contingent Liabilities, and Contingent Assets (IAS 37):** Discusses the criteria for recognition and measurement.
- **Income Taxes (IAS 12):** Includes temporary differences, deferred tax, and tax reconciliation.
- **Fair Value Measurement (IFRS 13):** Explains the principles of determining fair value for financial and non-financial items.

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## CFT-02: Economics and E-Commerce (EEC)

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### Course Outline:

#### 1. Microeconomics

- **Demand and Supply Analysis:**
  - Law of demand, supply and its elasticity
  - Price elasticity and its implications
  - Market equilibrium and effects of government intervention
- **Market Structures:**
  - Perfect competition, monopolistic competition, oligopoly, and monopoly
  - Pricing strategies in different markets
- **Consumer Behavior and Utility Theory:**
  - Marginal utility and consumer choice theory
  - Budget constraints and indifference curves
  - Behavioral economics insights on consumer decision-making
- **Production and Costs:**
  - Short-run and long-run cost structures
  - Economies and diseconomies of scale

#### 2. Macroeconomics

- **National Income Accounting:**
  - GDP, GNP, and national income
  - Measurement challenges and alternative metrics (e.g., HDI)
- **Inflation, Unemployment, and Economic Growth:**
  - Types of inflation and unemployment
  - The Phillips Curve
  - Growth models and sustainable development
- **Fiscal and Monetary Policy:**
  - Government spending, taxation, and budget deficits
  - Central banking and monetary tools (e.g., interest rates, open market operations)
  - Impacts on investment, consumption, and economic stability
- **Economic Indicators and Business Cycles:**
  - Leading, lagging, and coincident indicators
  - Phases of the business cycle and their implications

#### 3. E-Commerce Fundamentals

- **E-Commerce Business Models:**
  - B2B, B2C, C2C, and hybrid models
  - Subscription services, dropshipping, and direct-to-consumer trends

- **Digital Marketing and Online Consumer Behavior:**
  - SEO, SEM, and social media strategies
  - Customer acquisition, retention, and engagement
  - Personalization and data-driven marketing approaches
- **E-Commerce Platforms and Technologies:**
  - Overview of major platforms (e.g., Shopify, Amazon, WooCommerce)
  - Payment gateways, logistics, and supply chain integration
  - Emerging technologies (e.g., AI, AR/VR, blockchain)

#### 4. Global Economic Environment

- **International Trade and Finance:**
  - Comparative advantage and trade theories
  - Exchange rates and their impact on e-commerce
  - Global supply chains and trade barriers
- **Economic Policies and Their Impact on E-Commerce:**
  - Impact of tariffs, subsidies, and trade agreements
  - Role of economic integration bodies (e.g., WTO, regional trade blocs)
- **Regulatory Environment for E-Commerce:**
  - Data protection and privacy laws (e.g., GDPR, CCPA)
  - Taxation of e-commerce transactions across borders
  - Intellectual property and cybersecurity challenges

#### 5. Advanced Topics in Economics and E-Commerce

- **Digital Economy and Network Effects:**
  - Impact of platform dominance (e.g., network externalities)
  - Digital monopolies and competition policy
- **Sustainability in E-Commerce:**
  - Green logistics and supply chains
  - Environmental impact of e-commerce growth
- **Technological Disruption in Economics:**
  - Role of fintech in reshaping finance and trade
  - Cryptocurrency and blockchain's economic implications
- **Future Trends in E-Commerce:**
  - Expansion of the gig economy
  - AI-driven insights and personalized commerce
  - Cross-border e-commerce opportunities and challenges

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## CFT-03: Sustainability, AI, and ESG (SAE)

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### Course Outline:

#### 1. Sustainability in Business

- **Principles of Sustainable Development:**
  - The UN Sustainable Development Goals (SDGs)
  - Triple Bottom Line Approach: People, Planet, Profit
  - Circular Economy and Resource Efficiency
- **Corporate Social Responsibility (CSR):**
  - Evolution and frameworks of CSR
  - CSR in practice: Successful case studies
  - Measuring the impact of CSR initiatives
- **Sustainability Reporting Standards:**
  - Global Reporting Initiative (GRI) Standards
  - Task Force on Climate-related Financial Disclosures (TCFD)
  - Carbon Disclosure Project (CDP)
  - Developing effective sustainability KPIs

#### 2. Artificial Intelligence in Finance

- **AI Applications in Financial Services:**
  - Fraud detection and risk management
  - Credit scoring and loan underwriting
  - Automated trading and robo-advisors
- **Machine Learning and Predictive Analytics:**
  - Techniques for financial forecasting and sentiment analysis
  - Natural Language Processing (NLP) for analyzing market trends
  - AI in supply chain optimization and logistics
- **Ethical Considerations in AI:**
  - Bias in AI algorithms and its financial implications
  - Data privacy and security in AI-driven finance
  - Governance frameworks for ethical AI development

#### 3. Environmental, Social, and Governance (ESG)

- **ESG Criteria and Reporting:**
  - Defining environmental, social, and governance metrics
  - Materiality assessment for ESG reporting
  - Overview of ESG score providers (e.g., MSCI, Sustainalytics)

- **Integration of ESG in Investment Decisions:**
  - ESG investment strategies (e.g., ESG integration, impact investing)
  - Risk and return analysis of ESG portfolios
  - Tools and techniques for ESG-focused financial analysis
- **Global ESG Standards and Regulations:**
  - Overview of key regulations: SFDR, EU Taxonomy, TCFD
  - ESG compliance challenges across regions
  - Future trends in ESG regulation and standardization

#### 4. Advanced Topics in Sustainability, AI, and ESG

- **Technology and Innovation for Sustainability:**
  - Role of AI and IoT in environmental monitoring
  - Blockchain for transparent and accountable ESG practices
  - Emerging green technologies in renewable energy
- **Impact of Climate Change on Business and Finance:**
  - Climate risk assessment and scenario analysis
  - Adaptation strategies for businesses facing environmental disruptions
  - Green financing and sustainable bonds
- **Social and Ethical Dimensions of ESG:**
  - Diversity, equity, and inclusion as ESG priorities
  - Social impact metrics and their evaluation
  - Addressing human rights issues in global supply chains
- **Future of ESG and AI in Business:**
  - Synergies between AI and ESG for strategic decision-making
  - ESG in emerging markets and its global implications
  - Trends in sustainable finance and digital transformation

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## CFT-04: FinTech, ERP, and Business Intelligence (FEB)

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### Course Outline:

#### 1. Introduction to FinTech

- **Evolution of Financial Technology:**
  - Historical milestones in financial technology
  - The role of technology in transforming traditional banking
  - The rise of mobile payments and peer-to-peer lending
- **Key FinTech Innovations:**
  - Blockchain and cryptocurrencies: Applications in decentralized finance (DeFi)
  - Digital wallets, payment gateways, and real-time payments
  - InsurTech and RegTech: Innovations in insurance and regulatory compliance
  - Open banking and API ecosystems in financial services
- **Impact of FinTech on Traditional Finance:**
  - Disruption of banking, wealth management, and insurance
  - Collaboration between FinTech firms and financial institutions
  - Ethical and regulatory challenges in FinTech

#### 2. Enterprise Resource Planning (ERP) Systems

- **ERP Modules and Their Functions:**
  - Financial management: General ledger, accounts payable/receivable, asset management
  - Supply chain management: Procurement, inventory, and logistics
  - Human capital management: Payroll, workforce planning, and performance tracking
  - Integration of ERP modules for a seamless operational workflow
- **Implementation of ERP Systems:**
  - Steps in ERP implementation: Planning, customization, data migration, and training
  - Key challenges in ERP implementation and strategies to overcome them
  - Cost-benefit analysis of ERP adoption for financial operations
  - Maintenance and upgrades in ERP systems
- **Case Studies of ERP in Different Industries:**
  - ERP in banking for regulatory compliance and financial reporting
  - ERP in manufacturing for cost control and process optimization
  - ERP in retail for inventory management and real-time financial tracking
  - Lessons from successful and failed ERP implementations

### 3. Business Intelligence (BI)

- **Data Warehousing and Data Mining:**
  - Design and management of financial data warehouses
  - Extracting insights from structured and unstructured financial data
  - Predictive and prescriptive analytics in financial decision-making
- **BI Tools and Techniques:**
  - Overview of popular BI tools (e.g., Tableau, Power BI, QlikView)
  - Data visualization techniques for financial reporting
  - Real-time data processing and dashboard creation for key financial metrics
- **Applications of BI in Decision Making:**
  - Financial forecasting and risk management using BI
  - BI in fraud detection and regulatory compliance
  - Enhancing customer experience in financial services through BI-driven personalization
  - Optimizing capital allocation and investment strategies with BI insights

### 4. Advanced Topics in FinTech, ERP, and BI

- **Integration of FinTech and ERP:**
  - Leveraging ERP systems for digital payments and FinTech operations
  - Streamlining financial reporting and compliance with integrated solutions
  - Real-time transaction monitoring using ERP in FinTech ecosystems
- **Artificial Intelligence and Machine Learning in Finance:**
  - AI-driven insights for fraud prevention and credit scoring
  - Natural language processing (NLP) for sentiment analysis and chatbots
  - Machine learning models for algorithmic trading and portfolio optimization
- **Regulatory and Ethical Considerations:**
  - Data privacy and security in FinTech and ERP
  - Ethical issues in AI-driven financial systems
  - Navigating global regulations and standards in financial technologies
- **Future Trends in FinTech, ERP, and BI:**
  - Cloud-based ERP solutions and their implications for finance
  - The rise of embedded finance and super apps
  - Advanced BI techniques for sustainable and ESG-focused financial strategies



# PFM (Professional Financial Manager)

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## PFM-01: Financial and Managerial Analysis (FMA)

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### Course Outline:

#### 1. Financial Statement Analysis

- **Ratio Analysis:**
  - Liquidity ratios: Current ratio, quick ratio
  - Profitability ratios: Net profit margin, ROA, ROE
  - Leverage ratios: Debt-to-equity, interest coverage
  - Market value ratios: P/E ratio, dividend yield
  - DuPont Analysis for performance insights
- **Trend Analysis:**
  - Horizontal and vertical analysis of financial statements
  - Identifying growth trends in revenue, expenses, and profitability
  - Benchmarking against industry standards
- **Cash Flow Analysis:**
  - Detailed breakdown of operating, investing, and financing activities
  - Free cash flow and its significance in investment decisions
  - Using cash flow statements for assessing liquidity and solvency

#### 2. Managerial Accounting

- **Cost Behavior and Cost-Volume-Profit (CVP) Analysis:**
  - Fixed, variable, and mixed costs: Understanding cost structures
  - Break-even analysis and contribution margin
  - Sensitivity analysis for decision-making under uncertainty
- **Budgeting and Forecasting:**
  - Types of budgets: Operational, capital, and cash budgets
  - Techniques for accurate forecasting in dynamic environments
  - Variance analysis: Comparing actual vs. budgeted performance
- **Performance Measurement and Balanced Scorecard:**
  - Key performance indicators (KPIs) for financial and operational metrics
  - Balanced scorecard perspectives: Financial, customer, internal processes, and learning/growth
  - Linking strategy to performance evaluation

#### 3. Investment Analysis

- **Time Value of Money:**
  - Present and future value calculations for single sums and annuities

- Applications of discounting and compounding in finance
- Net present value (NPV) and internal rate of return (IRR) concepts
- **Capital Budgeting Techniques:**
  - Payback period, NPV, IRR, and profitability index methods
  - Comparing mutually exclusive and independent projects
  - Incorporating risk and uncertainty in capital budgeting decisions
- **Portfolio Management and Risk Analysis:**
  - Diversification and the Modern Portfolio Theory (MPT)
  - Understanding systematic and unsystematic risks
  - Risk-adjusted return metrics: Sharpe ratio, Treynor ratio, and alpha
  - Asset allocation strategies based on investor profiles

#### 4. Advanced Topics in Financial and Managerial Analysis

- **Advanced Financial Modeling:**
  - Building dynamic financial models in Excel or other tools
  - Scenario analysis and stress testing for robust decision-making
- **Behavioral Aspects in Financial Decision-Making:**
  - Cognitive biases and their impact on investment and budgeting decisions
  - Behavioral finance principles in portfolio construction
- **Integrating ESG Factors into Analysis:**
  - Evaluating financial and managerial performance with ESG considerations
  - ESG's role in long-term investment analysis and reporting

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## PFM-02: Audit Assurance and Advisory (AAA)

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### Course Outline:

#### 1. Fundamentals of Auditing

- **Auditing Standards and Practices:**
  - Overview of International Standards on Auditing (ISAs)
  - Generally Accepted Auditing Standards (GAAS) and their application
  - Ethical principles and auditor independence
  - The role of professional skepticism and judgment in auditing
- **Types of Audits:**
  - Financial statement audits: Purpose and scope
  - Internal audits: Enhancing operational efficiency and compliance
  - Operational and performance audits: Evaluating effectiveness and value creation
  - Specialized audits: Forensic, IT, and environmental audits

#### 2. Audit Process

- **Planning and Risk Assessment:**
  - Understanding the entity and its environment
  - Identifying and assessing material misstatement risks
  - Setting audit objectives and designing audit procedures
- **Internal Controls Evaluation:**
  - COSO framework for internal control assessment
  - Testing design and operating effectiveness of controls
  - Control deficiencies and their implications for audit strategy
- **Audit Evidence and Sampling:**
  - Types and quality of audit evidence
  - Analytical procedures and substantive testing
  - Statistical and non-statistical sampling techniques
  - Documentation of audit findings and working papers

#### 3. Advisory Services

- **Business Advisory and Consulting:**
  - Strategic planning and performance improvement consulting
  - Mergers and acquisitions advisory: Due diligence and integration
  - Technology advisory: Enhancing digital transformation and cybersecurity
- **Risk Management and Internal Controls:**
  - Enterprise Risk Management (ERM) frameworks

- Risk identification, assessment, and mitigation strategies
- Designing and implementing robust internal control systems
- **Regulatory Compliance and Reporting:**
  - Adherence to regulatory frameworks (e.g., Sarbanes-Oxley Act, GDPR)
  - Reporting on governance, risk, and compliance (GRC) initiatives
  - Preparing for regulatory inspections and audits

#### 4. Advanced Topics in Audit, Assurance, and Advisory

- **Forensic Auditing and Fraud Detection:**
  - Identifying and investigating financial irregularities
  - Techniques for fraud prevention and detection
  - Case studies in forensic auditing practices
- **Sustainability and ESG Auditing:**
  - Auditing ESG disclosures and sustainability reports
  - Assessing compliance with ESG frameworks and standards
- **Emerging Trends in Audit and Advisory:**
  - Role of artificial intelligence and data analytics in auditing
  - Continuous auditing and real-time assurance
  - Cybersecurity audits and IT risk management
  - Future of audit reporting: Integrated and dynamic reporting frameworks

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## PFM-03: Management & Cost Accounting (MCA)

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### Course Outline:

#### 1. Cost Accounting Fundamentals

- **Cost Concepts and Classifications:**
  - Definitions and objectives of cost accounting
  - Types of costs: Fixed, variable, semi-variable, and stepped costs
  - Direct vs. indirect costs and their allocation principles
  - Cost behavior and its impact on decision-making
- **Job Order Costing and Process Costing:**
  - Characteristics and applications of job order costing systems
  - Process costing: Features, calculations, and journal entries
  - Comparison of job order and process costing in different industries
  - Hybrid costing systems: Features and applications
- **Activity-Based Costing (ABC):**
  - ABC as a tool for more accurate cost allocation
  - Identifying cost drivers and assigning costs to activities
  - Implementation challenges and benefits of ABC systems
  - ABC vs. traditional costing: Comparative analysis

#### 2. Budgeting and Control

- **Types of Budgets:**
  - Operational budgets: Sales, production, and cost budgets
  - Financial budgets: Cash budgets and capital expenditure budgets
  - Flexible budgets: Adaptation to varying activity levels
  - Zero-based budgeting: Concepts and applications
- **Budget Preparation and Variance Analysis:**
  - Steps in the budgeting process and tools for preparation
  - Identifying and analyzing variances: Material, labor, and overhead
  - Behavioral aspects of budgeting: Incentives and accountability
  - Linking variance analysis to performance improvement
- **Standard Costing:**
  - Setting standard costs: Material, labor, and overhead standards
  - Analyzing variances and identifying root causes
  - Role of standard costing in cost control and decision-making

#### 3. Strategic Cost Management

- **Cost Management Techniques:**
  - Target costing: Principles and applications in pricing decisions

- Life cycle costing: Understanding costs over a product's lifespan
- Kaizen costing: Continuous improvement for cost efficiency
- **Cost Reduction Strategies:**
  - Value analysis and value engineering
  - Outsourcing and offshoring for cost optimization
  - Lean management and waste reduction techniques
  - Technology's role in achieving cost efficiency
- **Performance Measurement and Reporting:**
  - Designing performance measurement systems for managerial decisions
  - Financial and non-financial performance indicators
  - Responsibility accounting and segment performance evaluation
  - Balanced scorecard as a strategic management tool

#### 4. Advanced Topics in Management and Cost Accounting

- **Decision-Making Tools:**
  - Marginal costing and contribution analysis for decision-making
  - Make-or-buy decisions and relevant cost analysis
  - Pricing strategies under varying market conditions
- **Integration with Modern Technologies:**
  - Use of ERP systems in cost accounting and reporting
  - Data analytics and AI in cost management
- **Sustainability and Cost Accounting:**
  - Incorporating environmental and social costs in decision-making
  - Green accounting and its impact on cost control

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## PFM-04: Corporate and Tax Laws (CTL)

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### Course Outline

#### 1. Corporate Laws in Pakistan

- **Companies Act, 2017:**
  - Incorporation of companies: Types, requirements, and legal framework
  - Roles and responsibilities of directors, shareholders, and officers
  - Corporate restructuring: Procedures for mergers, acquisitions, and liquidation
  - Legal aspects of corporate financing, including debentures and shares
- **Corporate Governance Framework:**
  - SECP regulations and governance codes in Pakistan
  - Board composition, independence, and accountability
  - Disclosure and transparency requirements for listed entities
  - Case studies: Governance lapses and their implications
- **Mergers and Acquisitions:**
  - Legal procedures for M&As under the Companies Act
  - Regulatory approvals and due diligence requirements
  - Anti-competitive concerns and compliance with Competition Commission of Pakistan (CCP)

#### 2. Tax Laws in Pakistan

- **Income Tax Ordinance, 2001:**
  - Scope of taxable income: Salary, business, and capital gains
  - Tax credits, exemptions, and rebates under the Ordinance
  - Tax planning and compliance for individuals and businesses
  - Overview of withholding tax mechanisms
- **Sales Tax Act, 1990:**
  - Scope and application of sales tax on goods and services
  - Input and output tax adjustments
  - Filing and payment requirements, and penalties for non-compliance
  - Sector-specific sales tax rules (e.g., IT, manufacturing, retail)
- **Federal Excise Duty and Customs Laws:**
  - Overview of excise duties on goods and services
  - Import/export regulations and customs duty frameworks
  - Anti-smuggling provisions and enforcement mechanisms
  - Practical aspects of tariff classifications and exemptions

### 3. Global Corporate and Tax Laws

- **International Corporate Law Framework:**
  - Key international agreements influencing corporate law (e.g., UNCITRAL, OECD guidelines)
  - Role of international regulatory bodies in corporate governance
  - Corporate responsibility and global best practices
- **Cross-Border Taxation:**
  - Double Taxation Avoidance Agreements (DTAAs): Concepts and applications
  - Transfer pricing regulations and OECD guidelines
  - Base Erosion and Profit Shifting (BEPS) framework: Compliance strategies
  - Taxation of digital businesses and e-commerce
- **Regulatory Environment for Multinational Corporations:**
  - Anti-money laundering (AML) and combating the financing of terrorism (CFT) regulations
  - Compliance with international trade sanctions and embargoes
  - Corporate social responsibility (CSR) requirements for multinationals

### 4. Advanced Topics in Corporate and Tax Laws

- **Tax Dispute Resolution:**
  - Appeals and adjudication mechanisms in Pakistan
  - Role of the Federal Tax Ombudsman (FTO)
  - Case law precedents in tax disputes
- **Digital Transformation in Corporate and Tax Laws:**
  - E-filing and digitization of tax compliance
  - Blockchain's role in transparency and regulatory compliance
  - Data privacy laws affecting corporate reporting
- **Sustainability and ESG in Corporate Law:**
  - Legal obligations for sustainability disclosures
  - Tax incentives for green and sustainable investments

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# FMA (Financial & Management Advisor)

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## FMA-01: Strategic Financial Analysis (SFA)

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### Course Outline

#### 1. Advanced Financial Analysis Techniques

- **Financial Modeling and Forecasting:**
  - Designing integrated financial models using Excel or other tools
  - Revenue and expense forecasting for multi-scenario planning
  - Modeling cash flows, capital structure, and ROI projections
- **Sensitivity and Scenario Analysis:**
  - Techniques for evaluating financial outcomes under uncertainty
  - Stress testing financial models for various business scenarios
  - Monte Carlo simulations for risk assessment and decision-making
- **Valuation Techniques:**
  - Discounted Cash Flow (DCF) analysis and relative valuation methods
  - Understanding Enterprise Value (EV) and Equity Value
  - Advanced valuation scenarios: Startups, distressed companies, and intangible assets

#### 2. Strategic Financial Planning

- **Long-Term Financial Planning:**
  - Developing multi-year financial plans aligned with strategic objectives
  - Investment and financing decisions for sustainable growth
  - Optimizing capital allocation across business units
- **Mergers, Acquisitions, and Corporate Restructuring:**
  - Financial due diligence and synergy analysis in M&A deals
  - Structuring and financing acquisitions: Debt vs. equity financing
  - Divestitures, spin-offs, and restructuring strategies
- **Financial Risk Management:**
  - Identifying and mitigating market, credit, and operational risks
  - Derivatives and hedging techniques for managing interest rate and currency risk
  - Risk-adjusted performance measures: EVA, MVA, and RAROC

#### 3. Global Financial Environment

- **International Financial Markets:**
  - Role and functioning of global capital markets: Equity, debt, and derivatives
  - Capital raising through international platforms (e.g., Eurobonds, ADRs)
  - Emerging market dynamics and their impact on global finance
- **Exchange Rate Mechanisms:**

- Factors influencing exchange rate movements
- Managing foreign exchange exposure: Transaction, translation, and economic risks
- Techniques for forecasting exchange rates and managing forex risks
- **Global Financial Crises:**
  - Historical analysis of financial crises and their root causes
  - Regulatory responses to global crises (e.g., Basel norms, Dodd-Frank Act)
  - Lessons for strategic financial planning and crisis resilience

#### 4. Strategic Financial Reporting

- **Advanced Financial Reporting Standards:**
  - Key principles and updates in IFRS and GAAP
  - Integrated reporting: Linking financial and non-financial performance
  - Reporting for specialized industries (e.g., banking, insurance, and technology)
- **Earnings Management and Quality of Earnings:**
  - Identifying red flags in financial reporting practices
  - Impact of earnings management on valuation and investor confidence
  - Tools for assessing the quality of financial reports
- **Linking Reporting to Strategy:**
  - Leveraging financial reporting to drive business strategy
  - Analysis of segmental and consolidated reporting for strategic insights
  - ESG and sustainability reporting: Aligning with global standards

#### 5. Emerging Trends in Strategic Financial Analysis

- **Technology in Financial Analysis:**
  - Use of AI and machine learning for predictive analytics
  - Blockchain's impact on transparency in financial reporting
  - Automation of financial analysis with advanced tools
- **Behavioral Finance in Strategic Decisions:**
  - Impact of psychological biases on financial decision-making
  - Behavioral aspects of risk assessment and investment choices
- **Sustainability and Ethical Considerations:**
  - Incorporating sustainability metrics into financial analysis
  - Ethical issues in financial planning and reporting

# FMA-02: Advanced Corporate Finance (ACF)

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## Course Outline

### 1. Corporate Finance Theory

- **Capital Structure Theory:**
  - Overview of the Modigliani-Miller theorem and its implications
  - Trade-off theory: Balancing debt and equity financing
  - Pecking order theory and its application in corporate decisions
  - Impact of capital structure on firm value, cost of capital, and risk
  - Practical considerations in choosing between debt and equity
- **Dividend Policy and Decisions:**
  - Theories of dividend policy: Dividend irrelevance, bird-in-hand, and signaling theory
  - Factors influencing dividend decisions: Profitability, growth opportunities, and capital needs
  - Dividend payout policies: Regular, special, and stock dividends
  - Practical approaches to dividend policy in different sectors
  - Impact of dividends on shareholder value and stock prices
- **Corporate Governance:**
  - Principles of corporate governance and their strategic importance
  - Role of the board of directors and executive management
  - Shareholder rights, stakeholder interests, and transparency
  - Corporate governance best practices and global regulations (e.g., OECD, SEC)
  - The relationship between corporate governance and firm performance

### 2. Financial Instruments and Markets

- **Equity and Debt Markets:**
  - Structure and functioning of equity markets: Stock exchanges, market makers, and investors
  - Debt markets: Bonds, corporate bonds, and government securities
  - Understanding bond ratings, yields, and risk factors
  - The role of financial markets in corporate financing and liquidity
  - Equity vs. debt financing: Pros and cons from a corporate strategy perspective
- **Derivatives and Risk Management:**
  - Overview of derivatives: Futures, options, and swaps
  - Using derivatives for hedging risk: Interest rate, currency, and commodity risk management
  - Financial engineering: Designing derivative products for strategic corporate needs
  - Risk management frameworks: Enterprise risk management (ERM) and hedging strategies
  - Regulatory and compliance considerations in derivatives trading
- **Initial Public Offerings (IPOs):**

- Process and stages of an IPO: Preparation, valuation, and pricing
- Role of underwriters and investment banks in the IPO process
- Post-IPO market performance and valuation adjustments
- Strategic reasons for going public: Growth capital, market visibility, and ownership dilution
- The regulatory framework governing IPOs (e.g., SECP, Companies Act)

### 3. International Corporate Finance

- **Multinational Financial Management:**
  - Financial management in multinational corporations (MNCs): Strategic financial decisions across borders
  - The impact of currency fluctuations, taxation, and political risk on MNCs
  - Transfer pricing and internal financial flows within MNCs
  - Financing strategies for international operations: Global capital markets and cross-border financing
  - Risk management for MNCs: Managing exchange rate, interest rate, and country-specific risks
- **Foreign Direct Investment (FDI):**
  - Theories of FDI: Market imperfections, internalization theory, and eclectic paradigm
  - Strategic factors influencing FDI decisions: Market access, resource availability, and regulatory environments
  - FDI's impact on host and home countries' economies
  - Evaluating risks and rewards of FDI projects: Political, economic, and operational factors
  - MNC's strategies for managing and repatriating FDI profits
- **Cross-Border Mergers and Acquisitions:**
  - Strategic rationale for cross-border M&As: Market expansion, resource acquisition, and cost synergies
  - Legal, regulatory, and cultural challenges in international M&A
  - Due diligence and valuation techniques in cross-border M&As
  - Financing and structuring cross-border M&As: Debt vs. equity considerations
  - Post-merger integration challenges: Synergies realization, organizational culture, and regulatory issues

### 4. Strategic Business Management

- **Strategic Financial Management:**
  - Aligning financial management decisions with business strategy
  - Role of financial managers in corporate strategic planning and execution
  - Key performance indicators (KPIs) for strategic financial management
  - Long-term value creation through financial decisions: Capital budgeting, investment decisions, and financing choices
- **Corporate Strategy and Competitive Advantage:**
  - Tools for strategic analysis: SWOT, Porter's Five Forces, and PESTEL analysis

- Financial implications of strategic choices: Diversification, mergers, acquisitions, and innovation
- Building sustainable competitive advantage through financial strategies
- Role of financial analysis in strategic decision-making: Evaluating strategic options and trade-offs
- **Corporate Restructuring and Turnaround Strategies:**
  - Understanding strategic restructuring: Mergers, demergers, spin-offs, and bankruptcy reorganizations
  - Financial analysis of corporate turnaround strategies: Liquidity, solvency, and profitability
  - Leveraging financial tools and strategic management techniques for successful turnaround
  - Corporate culture and leadership in restructuring processes
  - Global case studies of successful and failed corporate restructuring initiatives

## 5. Emerging Trends in Corporate Finance

- **Technology and Innovation in Corporate Finance:**
  - Use of artificial intelligence and machine learning in financial decision-making
  - Blockchain technology for transparency in corporate finance
  - FinTech innovations and their impact on corporate financing and operations
  - Digital currencies and their strategic implications for multinational firms
- **Sustainability in Corporate Finance:**
  - Integrating Environmental, Social, and Governance (ESG) factors into financial decision-making
  - Sustainable finance strategies: Green bonds, ESG investing, and impact investing
  - Strategic management of climate-related financial risks (e.g., carbon taxes, resource scarcity)
- **Global Corporate Finance Trends:**
  - Cross-border capital flows and the future of global financial integration
  - Navigating geopolitical risks and their impact on financial markets and corporate strategy
  - Managing the risks and opportunities of a globalized corporate environment

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