

## Graduate Certificate in Aviation (Asia-focus)

### Performance Management and Managerial Accounting Practices in Aviation

Financial statements contain a wealth of information on the performance and health of an organisation. To harness that information, however, you need to have a sound understanding of the basis upon which financial statements are prepared and the ability to interpret the myriad of data correctly. This information will be the foundation of the various types of business decisions to be committed in the aviation industry.

This course provides participants with a good grounding of how financial statements are prepared, interpreted and used to extract critical information for business decisions in the aviation industry. Also, an effective budget not only provides a forecast of the organization's income and expenditure, but also acts as a measurement of the actual financial operations of the business against the forecast. This course is also designed to help participants identify various types of budgets. It will also guide participants how to plan and prepare budgets and to implement an effective budget control system

### Learning Objectives

By attending this course, participants will be better able to:

- Understand the purpose and flow of creating a budget in the aviation industry
- Create various types of budget and implement budgetary control
- Gain insights of cost behaviour
- Use of real life case studies to understand, prepare an effective budget in the aviation industry
- Appreciate the importance of the budgeting process and hence take ownership of it
- Gain a comprehensive overview and understand the basis upon which financial statements are prepared mainly in the aviation industry.
- Interpret financial statements correctly for aviation industry
- Detect symptoms of potential problems from the financial statements and other relevant parts of the Annual Report of an airline company.
- Ask the appropriate questions when analysing financial statements in the aviation industry.
- Ability to apply the key management ratios for performance evaluation in the aviation industry.

### Course Contents

- **Types of Financial Statements**
  - Corporate accounts, including consolidated accounts, management accounts
- **Understanding How Financial Statements Are Prepared in the Aviation Industry**
  - Balance sheet / Statement of Financial Position
  - Profit & Loss Statement / Income Statement / Income & Expenditure Statement
  - Statement of Comprehensive Income
  - Statement of Changes in Equity
  - Differences between accounting profit and cash flow

Professional Education and Training

Embry-Riddle Aeronautical University – Asia

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- **Assessing Financial Performance & Health**
  - Trend analysis
  - Profitability (Profit Margins, Return on Assets)
  - Efficiency (Asset Turn, Fixed Asset Turn, Inventory Turn, Collection Period)
  - Solvency (Financial Gearing, Current Ratio, Interest Cover, Debt Service Cover)
- **Awareness of Common Investment-related Ratios**
  - Return on Equity
  - Impact of financial gearing on Return on Equity
  - Dividend Yield & Dividend Pay-out
  - Price-Earnings ratio, Net Asset Value
- **Assessing Cash Flow**
  - Importance of operating cash flow
  - Interpreting Cash Flow Statement
  - Relevance of Free Cash Flow
- **Quick Finders in Detecting Risks**
  - Key points to look out for in financial statements
  - Relevance of other parts of the Annual Report
  - Fixed and Variable costs, and Cost Volume Profit analysis
  - Full Costing: Direct and Indirect Costs
  - Capital Investment Decisions: Payback Period and Accounting Rate of Return
  - Capital Investment Decisions: Net Present Value and Internal Rate of Return
  - Direct and Indirect Costs: ABC costing
  - Performance Measurement and Balanced Scorecard
  - Adopting the Balanced Scorecard

## Who Should Attend

- Professionals in the airline industry, airport and aircraft management, banking & finance, auditors and accountants. Senior Management and CEOs

## Method

- Face-to-Face instructions
- Supported by practical case studies

## General Information

Duration: 3 days or 20 hours