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**Introduction**

This course was designed to help participants in creating excel spreadsheets budgets on their financial obligations and income earnings. To stimulate payroll situation and calculations. To promote business start-up fees and find out the setup and maintenance costs of the business. Also, locate a company's financial statements and calculate ratios depending on their situation.

This course further examined the processes involved in financial management upper tools. Section – one will cover: studies of financial statements, financial administrator's jobs, what financial managers do? Financial risk. Section two covers; Budget Definition, types of budgets. Section three covers; Capital budgeting, Section four covers; analysis and interpretation of financial statements. Section five covers; Balance Sheet. Section Six covers status results, income, expenses, and profit, section seven covers; study methods of analysis and interpretation of financial statements, section eight covers; senior management and compliance with tax obligations. Section nine covers; Alternative Tax and section ten covers Fiscal Strategy Tools.

What is Management accounting?

 It is a type of accounting that uses managers to study the financial information of a company. Who analyzed the information to provide internal ideas to enhance the organization's profitability strategies and maintain its competitive advantage in the market? All this information they analyze is given to them by financial accountants. These account managers do not prepare any daily financial reports. instead, they are simply given the information and their job is to evaluate and investigate any irregularities. the information is used for the analysis of the organization's financial statements and other types of reports.

Common Financial Terms

 Accounts receivable: These are monies collected from customers, such as individuals and corporations, to another business in exchange for goods and services. They usually are in the form of credit and become due quickly. Most individuals in these corporations may be required to pay back the line of credit in a matter of a few days or 12 months. Accounts payable is when a company incurs financial debt with suppliers and other creditors. It is further defined as the outstanding bills of the business. It is also shown on the balance sheet, accounts payable are recorded as current liabilities.

Notes Payable are referred to as short-term obligations evidenced by promissory notes. The proceeds of the letters are used to purchase current assets. Choi and Meek (2008)

Current Liabilities: includes salaries, interests, accounts payable, bank loans, bank overdrafts, and taxes. On the other hand, liabilities must be paid within one calendar year. Employees benefits can also be placed in the category of current liability. These include retirement plans, health insurance, and bonuses. Powers and Needles (2011)

 Equity represents the net worth of a business. It is also known as stockholders’ equity; the financing can be put into three categories.

1. Stakeholders may purchase shares.
2. Business owners can invest their funds, inheritance mortgage refinancing and savings, etc.
3. The formula to measure equity is assets minus liabilities on a balance sheet.

Financial Reports

The balance sheet summarized the assets, liabilities, and shareholders’ equity. The main purpose is to show what the company owns and owes at a specific time. It also serves as a check and balance system. Assets = Liabilities + Shareholder's equity

 The income statement is the financial document that demonstrates how much revenue and profit the company has generated within a set period. It is also referred to as the profit and loss statement or statement of revenue and expenses. The report is divided into two parts.

1. Operating activities
2. Non-operating activities.

After the stock market crash of 1929, annual reports became an integral component of corporate financial reporting. It is a yearly publication depicting an organization's operation and economic conditions. The front section of this report contains a graphical representation of the company’s performance. The latter part of the report possesses detailed financial results and operational data. Charles and Williams (2005)

 Annual reports must be submitted every year regardless of the financial gains or losses. If the information is not offered or completed, the registered business name will become inactive via the Florida Department of State. And in my country, the Turks, and Caicos Islands Financial Service Commission TCI. For the business to re-activate the industry, filing status will be required. The company will have to submit a reinstatement filing report and pay appropriate fees. Choi and Meek (2008)

Financial Ratios

Current ratio – Ratio of existing assets to current liabilities. Provides information about the firms' ability to meet its short-term financial obligations. Short-term creditors prefer a higher current ratio since it reduces their risks. The current balance equals existing assets plus current liabilities.

Quick Ratios, like current ratios, the purpose of quick ratios is to measure an organization's liquidity. However, unlike the current balances, the short ratios do not include inventory in the existing assets. The list may contain items that are difficult to liquidate. Powers and Needles (2011)

Formula

Quick Ratio= ( current assets – Inventory) + (current liabilities)

The debt ratio measures the extent to which the firm uses its long-term debt. It also indicates the long-term rather than the short-term solvency of an organization.

Formula : Debit Ratio = Total Debt / Total Assets

RETURN ON ASSETS

 It measures how effectively the firms' assets are utilized to generate profits. Return on Assets is one of the profitability Ratios to determine the firm's viability. Return on equity measures the profits earned for each dollar invested in the company's stock. The shareholders use it to evaluate the success of the organization. Powers and Needles (2011)

 Assets Turn–Over Ratios indicate how efficiently a firm uses its assets. Two common types of assets turn over ratios. These includes :

* Receivable Turnover – it measures how quickly a firm collects its accounts receivables.
* Inventory Turnover indicates the number of days’ worth of inventory on hand.

 The formula used to compute :

* Receivables Turnover = Annual Credit sales/ Accounts receivables
* Inventory Turnover = Cost of Goods sold / average inventory

EMPLOYEES COMPENSATION PACKAGE

To compute an employee total compensation package, it must include the following listed below :

1. Basic salary
2. Health, Dental, and Vision
3. Disability/ Life Insurance
4. Tuition Reimbursement
5. 401-K Plan

Basic Benefits

1. Medical -Dental and Vision
2. Life Insurance Plans – Term and whole
3. Disability Plans- Short term and long-term policies

PAYROLL CALCULATIONS

Payroll terms

* Gross pay is the total or agreed-upon rate of income before any deductions are made.
* Overtime – Hours worked beyond the regular hours.
* Time and a half-rate of pay that is 1.5 times the regular rate for overtime work
* Deductions – amounts subtracted from the gross pay
* Net pay is the amount left when all deductions are taken out of the gross income, which is the amount found on the paycheck.

DIFFERENCES BETWEEN W-2 AND W-4

1. W-2 is an annual IRS form used to report taxable wages and withholding taxes**.**
2. W-4 is an allowance certificate used for the current federal income to be withheld from pay

Deductions are as follows:

* Federal Withholding Taxes
* State taxes
* Social Security Taxation – TCI NATIONAL INSURANCE BOARD AND NATIONAL HEALTH INSURANCE BOARD.
* Medicare

Gross pay Calculations

Multiply total hours worked by the hourly rate, 3 hours X 10 hours =340 per week

For example, Dorothy decided to work 42 hours. The gross pay would now come out to 40hoursx14=560 + 2hoursx 21=42=602

* 14hours x1.5 =21 time and half rate
* 14hrs x 2=28 double-time hourly rate
* Social Security Taxes, Multiply Gross Pay by the Rate
* 340 x 6.2% =21.08 if necessary round to the nearest

BANK RECONCILIATION PROCESS

What is the definition?

1. Process of matching and comparing figures from accounting records against those presented on a bank statement
2. Balance of the accounting ledger should reconcile match to the balance of the bank statements
3. Discrepancies in cash balances exist as a possible result of :
4. Delayed in checks and deposit clearing the bank
5. Automatic Bank charges and credits have not been recorded or simply a human error in recording data
6. Automatic bank charges and credits have been recorded or simply a human error in recording data.

 Deposits in transit – Deposits that have not yet been cleared on the bank statement compare the deposits listed on the bank statement with the bank deposits shown in the cash receipts journal. Make sure that last month's bank reconciliation has been reviewed for accuracy. In addition, outstanding checks, these cheques have not yet been cleared on the bank statements. In the cash disbursements journal, mark each cheque that has cleared the bank statement during the specified month. On the bank reconciliation, list all the cheques that have not cleared. Once again, investigate prior bank reconciliations and look for any outstanding cheques. Powers and Needles (2011)

Credit Management, in understanding the process, of credit record bureaus, every person who utilizes credit has a credit file. Each time credit has been used, information on the transaction will appear in the accumulated contents are transmitted electronically to one or more of the national credit bureau agencies. These credits bureaus issue credit reports about consumers. The credit report serves as an evaluator for either granting or denying credit.

**Getting started with credit begins with the following**:

1. It begins with opening a savings account putting money aside into this account.
2. Upon building up funds in the savings account, open a checking account
3. Use parents' assistance in applying for minor credit obligations i-e department stored.
4. Take out a small loan from the credit union.
5. Apply for a Bank Credit Card check the application carefully and ask about the income limits

**Credit Rating analysis**

1. A – is referred to as an excellent credit rating. The customer must pay bills before the due date
2. B- Good credit rating. The customer must pay bills on the due date or within a 10-day grace period.
3. C- Fair Credit Rating – The customer usually pays all bills within the grace period, but occasionally takes longer.
4. Poor- Credit Rating. A person who has failed to pay back the debtor filed for bankruptcy.

 FICO Credit Score

The score evaluated an individual's creditworthiness based upon the information contained in the persons' credit report and his/her debts – to income ratios.

* Highest FICO is – 850
* Lowest FICO is- 300

 A score below 660 may equate to trouble obtaining credit or paying a higher interests rate for financing.

**Credit Reports Overview**

Information on the credit report stays on the file for 7 years. In case of bankruptcy, it stays on the file for 10 years. If denied credit an individual is entitled to a free credit report upon 30 days written request.

Credit Reports are divided into the following sections listed below,

1. Identification
2. Summary of information
3. Public Records
4. Inquiries
5. Trade

The inquiry sections show the number of inquiries within the last 6 months.

How to Manage to credit:

1. Stay within your Budget
2. Pay all bills on time
3. Develop an excel spreadsheet to keep track of monthly obligations
4. Pay more than minimum payment only covers the interests
5. Avoid credit card add on programs
6. Pay off accounts with a higher interest rate first.
7. Do not open new credits simultaneously
8. Monitor to a free copy of credit report once a year.

CREDIT COMPUTATION

Simple Interests Formula:

 **Simple interest is computed on the following:**

1. The amount borrowed only and without compounding
2. The simple interest method of calculating interest assumes one payment at the end of the loan period.
3. **The cost is based on 3 elements:**
4. Rate of interests
5. Amount borrowed
6. Amount of time for which the principal is borrowed**.**

 **Interest = Principal x Rate x Time**

* P=500
* R=12%
* T = 4 months
* I =500x12x4/12
* I =500x12x1/3
* I=60 x . 33333

Annual percentage Rate Formula

The APR is the Percentage cost of credit yearly.

There are 2 ways to calculate :

 APR tables

APR formula R = (2x4x1)/p(n+1)

**Finance Charged:**

A finance charge is an amount that the cardholder must pay in addition to the total due for purchases.

The amount is calculated using the interest rate and the purchase balance on the card creditors may calculate finance charges on open credit accounts using the following :

1. Adjusted Balance method
2. Previous Balance method
3. Averaged Daily Balance method.

BUSINESS OWNERSHIP STRUCTURES

 Types of ownership structures

1. Sole Proprietorship
2. Partnership
3. Limited Partnership
4. Limited Liability Company
5. Corporation – for profit
6. Non-Profit Corporation
7. Cooperation

Sole Proprietorship: a one-person business, legally, a sole proprietorship is inseparable from its owner. This means that the owner must report gains or losses on their taxes returns and is held personally liable for any business-related obligations.

Partnership: A business owned by two or more individuals

Limited Partnership – General partner controls the little partnership day to days operations

Limited Liability Company: Ownership structure that combines the attributes of both a corporation and partnership

Corporations– An independent legal tax entity, separate from the people who own control and manage it

Non -profit Corporations: corporations formed to carry out charitable, educational, religious, literary, or scientific purposes. A non–profit corporation solicits private and public grants as well as individual and company donations.

Non – Profit Corporations obtain tax exemptions from federal and state governments.

Cooperation is an organization owned and operated democratically by its members. It is also referred to as a collective group. In some countries or states, individuals must file paperwork with the secretary of the state office to have the cooperation formally recognized by the state.

BUDGET PREPARATIONS

 After analyzing financial information, management accountants summarize their findings from the information. These findings are summarized in the form of reports. The reports are then passed along to upper management where decisions are made. One use of this information is for determining budgets. Upper-level management creates a budget based on this information.

 Importance of a financial plan **:**

A financial plan is an orderly program for spending, saving, and investing your money earned.

It assists the organization in the following ways:

1. Prevent careless and wasteful spending.
2. Organized sources of income to maintain a plan of personal financial fitness
3. Achieve the most from income earned
4. Avoid money worries and financial problems by understanding proper savings, spending, and borrowing money methods.

How Money Grows

1. Money paid by the financial company to the savior for using their money is called – "Interests."
2. When the interest is computed on the original principal plus accumulated interest this is called – Compound Interests

POTENTIAL SOURCES OF INCOME

Here is a list of possible sources of income:

1. Salary after taxes
2. Earnings from investments
3. Alimony
4. Pension Plans
5. Government or private
6. Inheritance
7. Interests earned on savings

Some expenses below should be included when constructing a monthly Budget.

1. Rent / Mortgage
2. Utilities
3. Automobile payments
4. Insurance Automobile and life insurance
5. Gasoline
6. Car repairs and maintenance
7. Groceries
8. Personal care

 How to create a budget**:**

1. The income should be higher than the expenses
2. Financial experts recommend saving at least 10% of a person's dependable income each pay period. An individual will have money for future expected or unexpected needs by keeping this amount.

**TYPES OF BUDGETS**

* Sales - estimates future expectations units and currency. It is used to create company sales goals and objectives
* Production: This is an estimation of the number of units that must be manufactured to meet the sales goals and financial objectives.
* Capital: This is used to determine whether an organization long term investment
* Cash flows/ cash budget: This is a prediction of future cash receipts and expenditures for a particular period.
* Marketing budget: an estimate of the funds needed for a promotion, advertising, and public relations to market the product or service.
* Project Budget: a prediction of the costs associated with the organization project.
* Revenue Budget: is consists of revenue receipts of the government and the other duties that the government levies.
* Expenditure Budget: Includes spending data items

**Capital Budgeting:** This is the planning of long-term corporate financial projects relating to investments funded through and affecting the firms’ capital structure. There are many technique applications used in this form of budgeting: These includes:

**Accounting rate of return:** Expresses the project’s return as the increase in expected average annual operating divided by the initial required investment.

 **Accounting rate of return (ARR)** = Increase in expected average annual operating income

 Initial required investment

**ARR** = $2000 - $1,519 = 7.9%

 $6,075

**Payback period**: The time it will take to recoup in the form of cash inflows from operations the initial dollars invested in a project.

Payback time = Initial incremental amount invested

 Equal annual incremental cash

 inflows from operations

 P= 1/0 = $12000 =$3years

 $4000

**Net present value:** A discounted cash flow approach to capital budgeting that computes the present value of all expected future cash flows using a minimum desired rare return. Ideally, businesses should pursue all projects and opportunities that enhance shareholders' value.

**Internal rate of return modified internal rate of return**: Gives a net present value of zero. It is a commonly used measure of investment efficiency.

Modified internal rate of return; this rate is often used.

**Equivalent annuity:** expresses the NPV as an annualized cash flow by dividing it by the present value of the annuity factor. It is often used when assessing only the costs of specific projects that have the same cash inflows.

**Real options valuation**: Try to value the choices – the option value that the managers will have in the future and add values to the NPV.

NEEDS FOR CAPITAL BUDGETING

* A large sum of money is involved which influences the profitability of the firm making capital budgeting an important task.
* Long-term investment once made cannot be reversed without significant loss of invested capital.
* Investment decisions are the base on which the profit will be earned and probably measured through the return on the capital.
* The implication of long-term investment decisions is more extensive than those of short-run decisions because of the time factor involved, capital budgeting decisions are subject to a higher degree of risk and uncertainty than short-run decisions.

ANALYSIS AND INTERPRETATION OF FINANCIAL STATEMENTS

 The main purpose of financial statements provides information about the financial position, financial performance, and cash flow of an entity that is useful to a wide range of users in making economic decisions. It also shows the results of management stewardship of resources entrusted to it. The information along with other information assists users of financial statements to predict certainty. Financial statements do not provide all the information that users may need to make economic decisions since they largely portray the financial effects of past events and do not necessarily provide non-financial information

 What comprises a complete setoff financial statement and how do they combine to achieve the overall objectives.

A complete of financial statements comprises :

1. A balance sheets
2. An income statements
3. A statement of change in equity showing all changes in equity, changes in equity other than those arising from transactions with equity holders acting in their capacity as equity holders
4. Cash flows statement
5. Notes, comprising a summary of significant accounting policy and other explanatory notes.

BALANCE SHEET

 The balance sheet presents an entity's financial position at a specific point in time. It shows the assets and liabilities of the entity. making distinctions between current and non-current items. It also shows the equity position of the entity.

**Income Statements:** The income statement presents an entity's financial performance. It shows all items of income and expense concerning a specific period, except where these items are permitted or required to be presented in equity.

 Statement of Changes in Equity: The statement of changes in equity summarizes the effects of transactions with the equity holders of the entity. It displays the profit or loss for the periods with earnings at the beginning and end of the period and the changes during the period.

 **Cash Flows Statement:** IAS7 – the successful growth and survival of an entity depends on its ability to generate or obtain cash. It also presents the generation and use of cash and cash equivalent by operating, investing, and fiancé over a specific period. It provides users with a basis to assess the entity able to generate and utilize its cash

Methods and analysis of financial statements

* Significance
* Functions
* Government Services
* Skills
* Organization

TIME’S FISCAL AND TAXATION

The two main instruments of fiscal policy are changes in the level and composition of taxation and government spending in various sectors:

1. Aggregate demand and the level of economic activity
2. The distribution of income
3. The pattern of resource allocation within the government sector and relative to the private sector

Fiscal policy refers to the use of taxation and government spending to influence economic activity. This is distinguished from monetary policy in that fiscal policy only deals with taxation and spending and is often administered by an executive under the laws of a legislature whereas monetary policy deals with the money supply lending rates and interests’ rates and is often administered by a central bank.

**Stakeholder analysis in financial statements**

In conflict resolution, project management and business administration are the processes of identifying the individuals or groups that are likely to affect or be affected by proposed action and sorting them according to their impact on the action and the impact action will have on them. This information is used to assess how the interests of those stakeholders should be addressed in a project plan, policy program, or other action. stakeholder analysis is a key part of stakeholder management.

**Types of Stakeholders**

* Primary Stakeholders:
* Secondary Stakeholders:
* Key Stakeholders:

**Objectives of Financial Statements**: It also helps a business partner such as a lender or a supplier stay up to date with financial developments in a company’s operating activities and how these activities affect corporate cash flows.

**Objectives of Financial Statements**

* Evaluate financial Position
* Probability Measurement
* Identification of Cash Flows
* Assess Owner’s Equity

Strategic planning

This is another use of financial analysis by management accountants. Upper-level management determines strategic plans for the future of the organization. This includes things like; new product development and strategies for increasing sales.

**Specific duties performed by financial managers include the following:**

1. Preparation of financial statements, business activity reports, and forecasts
2. Monitoring financial details to ensure that legal requirements are met
3. Supervise employees who do financial reporting and budgeting
4. review organization financial reports and seek ways to reduce costs
5. Analyzed market trends to find opportunities for expansion or for acquiring other companies.
6. Help management make financial decisions

**Types of financial managers**

* Controllers:
* Treasurers and finance officers:
* Credit managers:
* Cash managers:
* Risk manager:
* Insurance managers

TYPES OF INVESTMENTS RISK

The two general types of risk are :

1. Losing money, which you can identify as an investment risk
2. Losing buying power, which is inflation risk

Most investments risk is described as either systematic or nonsystematic. While those terms seem intimidating, what they refer to is straightforward.

* Systematic Risk:
* Interest-rate risk
* Inflation risk:
* Currency risk:
* Liquidity risk:
* Sociopolitical risk:
* Nonsystematic risk:

**Examples of Nonsystematic Risks on investments:**

* **Management Risk**: The impact of bad management decisions, other internal missteps, or even external forces environmental factors
* **Credit risk:** This is also default risk, this is the possibility that a bond issuer won’t pay interest as scheduled or repay the principal at maturity.

**Risk Management Assessment**

There are three basic steps in assessing risk.

1. Understanding the risk posed by certain categories of investments
2. Determining the kind of risk, you are comfortable taking
3. Evaluating specific investments: following the path with the help of one or more investments professionals, including stockbrokers, registered investment advisers, and financial planners with expertise in these areas.

**Management and Compliance Tax Obligations**

 In most organizations, compliance tax managers or consultants are responsible for the effective management and risk controls in the organization. They are also responsible for devising, implementing, and overseeing the tax plan for the organization or client and performing audits. The responsibilities of a tax manager are to manage tax reporting and planning accurately and efficiently, ensuring compliance with tax laws for the organization or client. Required skills for this position, at least 5-10 years’ experience along with good judgment to plan and accomplish the tax goals and objectives of the organization. , a bachelor's degree in accounting or financial management. In addition, they must have analytic and strategic thinking skills. Alternative tax is an income tax imposed by the United States government on individuals, corporations, estates, and trusts. Many AMT adjustments apply to businesses operated by individuals or corporations. The predecessor minimum tax was enacted by the tax reform Act of 1969 and went into effect in 1970.

They seek to gain knowledge about the risk management principles, framework, and processes. These managers are solely responsible for the creation and protection of value in the organization.

 Risks come from multiple sources and can appear in many shapes and sizes. Almost every strategic decision within an organization is accompanied by certain risks that the organization must acknowledge and deal with. Since without taking risk there is virtually no growth, risk management should be an integral part of the processes in every organization. It helps tax managers or investigators to acquire the knowledge necessary and abilities to integrate the risk management guidelines of risk policy in the organization. By ensuring acceptance, awareness, and compliance. They provide information concerning the risk management principles and their application, as well the core elements of the risk management framework and steps for a risk management process.

 In addition, it provides the basic approaches methods, and practices for assessing risk in a wide range of situations.

 Why management and compliance are important in a tax system? because the risk tax manager can implement potential strategies to help prevent or eliminate all levels of risk, by improving the existing ones.

**TOOLS FOR FISCAL STRATEGIES**

This tool is used by most governments regionally, nationally, and internationally in accomplishing economic and social goals. It is managed by a country’s ministry of finance. The policy communicates the government annual strategies in meeting key organizational performance objectives. This is normally referred to as ( Fiscal Strategy)

 The mode of projections emphasizes the principal purpose and forecasts the fiscal projections.

Investments of Permanent Assets:

This is a minimum of current assets needed for achieving short and long-term goals for business operations. These are assets that could be replaced annually. There are a few common examples:

1. Accounts receivable
2. Cash flows assets
3. Depreciating assets
4. Inventories assets

 Difference between both:

**Temporary Assets**: are assets that cause or contribute unexpected changes of variables in accounts receivables.

Overtime there are three types of companies assets;

1. Fixed Assets: this refers to as long-term
2. Fluctuating current assets: this is referred to as seasonal and changing sales decreases and increases
3. Permanent current assets: This is similar to fixed assets

Investments in current assets are put into two main categories:

1. Investment in permanent current assets: this event is a requirement by the organization when they are at their lowest point.
2. Investments in temporary current assets – this is due to seasonal variations that predict specific variables that change accordingly.

Three important strategies are adopted by most organizations, regional, national, and international. These include;

1. The general financing of long-term goals, use to satisfy their requirements of fixed assets that are necessary for capital working.
2. The general financing of long-term goals and objectives used by an organization to satisfy the requirements on fixed assets for capital budgeting
3. Financing long–term goals for the benefit of fixed assets in satisfying the main requirements necessary for permanent capital budgeting applications and considerations

**Funding and Restructuring of Liabilities**

This refers to an organization's liability plus its assets. The reorganization process often takes place when a business is experiencing financial challenges, that can result in insolvency or liquidation. In such cases or circumstances, these organization adopts certain financial controls that an asset in monitoring the financial assets and resources owned or valuable to the company.

It had been said that most organizations hold liabilities which are debts or other obligations that arise because of the company's past experiences. The economical factors will often have the most significant impact on the company's success or failure. So, therefore, financial restructuring is likely to focus on effectively managing assets and reducing the company liabilities.

Debt Restructuring applications will involve the following :

1. This tool is used by the organization when experiencing financial challenges
2. Equity Restructuring: this involves the documentation of all liabilities and assets that are overvalued. It helps to reduce companies spending expending budgets

Some reasons why most companies consider or result in restructuring exercises are listed below:

1. Mainly to address failures that result from deficits
2. The allocation of resources for marketing purposes and turnover challenges
3. During Mergers and Acquisitions of organizations and departments

Operational Restructuring results from :

1. To eliminate wastage of resources
2. It’s a process used in most redundancy exercises when considering the employment termination and cost reduction
3. To ensure the continuity of business operations, due to the reductions in sales and low profits of productions and performance

This results in the following:

1. Cost reduction associated with other organizations and financial management
2. Reduction or suspensions of outdated resources that provide economical services that are not selling well and are scheduled to be phased out.

**Methods use in capital restructuring:**

1. The tendering of offers through the repurchase tender: Here the tender is time bond by the purchase offer.
2. The tendering of offers through the open market: These markets operate at a low rate and have longer time frames or periods in purchasing time. These markets are more applicable in less significant justice deals.

The tendering of offers through privately owned negotiations channels: In private negotiations, deals are more used to circumvent activities of a hostile takeover. It could be believed that the organization's shares are not valued. Finally, this posed a great challenge to making a decision that will produce positive results or paybacks. The views here are different. This can be sorted by increasing personnel, who have the manpower resources to monitor discipline and manage effectively and efficiently.

CAPITAL RESTRUCTURING ADVANTAGES OF BUSINESSES/COMPANIES

1. The company that offers the ESOP receives a tax deduction equal to the fair market value of the shares transferred to the trustee and can claim an income tax deduction for dividends paid on ESOP – owned stock.
2. Employees aren't taxed until they receive a distribution from the trust, usually at retirement when taxed until they receive a distribution from the faith, usually at retirement when the tax rate is lower.
3. Employees can use their stock as collateral and borrow against employee stock held in trust and then repay the loan.
4. Employee Share Ownership Plans also help shareholders of closely held corporations to diversify their assets by placing some of their shares of the company's stock into the ESOP trust and purchasing other marketable securities for themselves in their place.
5. ESOPs also encourage employees to develop a sense of ownership and commitment to the firm.
6. They provide increased financial incentives, create a sense of ownership, and help to build teamwork.

Steps in implementing the employee gain sharing plan:

1. Establish general plan objectives
2. Choose specific performance measurements
3. Decide on the funding formula
4. Decide on a method for dividing and distributing the employees' share of the gains.
5. Decide how often to pay bonuses
6. Develop the involvement system

 Why did most incentive plans fail?

 There are many possible reasons why incentive plans fail. Performance pay is supposed to motivate employees, but motivation is not always the problem. Other factors may be negatively affecting performance.

* An incentive plan that rewards a group based on how many pieces they produce may lead to rushed production and lower quality.
* Herzberg says that financial rewards are hygiene factors, not motivating factors.
* Incentives plans have the potential to encourage individuals to pursue financial rewards for themselves.
* Rewards can also have unintended consequences. Incentive plans can distract employees from achieving challenging goals.

Finally, Edward Deci suggested that financial rewards contingent upon performance can undermine the intrinsic motivation that results in optimal performance

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Conclusion

This course has provided me with the ability to create excel spreadsheets for budget financial obligations and income earnings. Secondly, to stimulate payroll situations that will assist me as a manager in any organization.

It aids me the skill in calculating employees' salaries for the business. The course has provided me with the skill to stimulate new business start-ups and with the ability to establish financial budgets in maintenance costs within the specified business. It also helps in locating the business financial statements and calculating ratios depending primarily on the present situation etc.

I can now use this information, insights, and knowledge in a structured way in identifying options, making recommendations, and making robust, defendable decisions.

Therefore, I can further explore these initiatives and concepts concerning my current organization across departments and units.

I am now able to perform risk analysis training effectively and efficiently: the ability to understand the risk management concepts, approaches, methods, and techniques. Ability to establish a risk management framework in the context of the organization, in understanding the basic approaches, methods, and practices used to integrate risk management in an organization,

The knowledge gained is very rewarding and will be of great benefit to my personal and professional development in the coming years.

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STATEMENT OF ORIGINALITY

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**COURSE NAME:** Doctorate Degree in Human Resource Management and Development AIU

**SCHOOL:** Business and Economics

**Assignment Title**: ( RESUBMISSION – FINANCIAL TOOLS-AIU)

**Student ID number:** UD7228BHUB1442

This Course Work assignment is a result of my work. All academic sources used in this study are fully acknowledged and disclosed, in line with the MLA System Referencing.

Student Signature **Date:** February 4th, 2022

**Dexter Parker**