

TEXPO 2014
Essential Learning for CTP Candidates
Key Topics for ETM4 Chapters

Chapter 1: The Role of Treasury Management

The Role and Organization of Treasury Management
Finance and Treasury Organization
Corporate Governance

Chapter 2: Financial Regulatory Environment

General Regulatory Environment
Primary Regulators and Standard Setters of Global Financial Markets
U.S. Legal and Regulatory Environment
Tax Considerations
Bankruptcy (Insolvency)

Chapter 3: Banks and Financial Institutions

Financial institutions: Functions and Services
Global Financial institutions
Commercial Banks
Investment Banks and Brokerage Firms
Other Financial Institutions

Chapter 4: Payment Systems

Payment Systems Overview
Cash Payments
Check-Based Payments
Large-Value Funds Electronic Transfers (Wire Transfer)
Small-Value Transfer or Automated ClearingHouse Systems (ACH)
Card-Based Payment Systems

Chapter 5: Money Markets

Global Money Markets
Money Market Participants
Investment Risk Considerations
Types of Money Market Instruments and Investments
Short-term Money Markets in the U.S.

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Chapter 6: Capital Markets

Overview of Capital Markets
Key Participants
Division of Capital Markets
Debt Market: Medium and Long-Term Borrowing
Equity (Stock) Securities

Chapter 7: Relationship Management and Vendor Selection

Relationship Management
Vendor Selection Process (RFP)
Bank Compensation Practices (Fees vs. Balances)
Account Analysis in the U.S.
Assessing Service Provider Risk

Chapter 8: Introduction to Working Capital Management

Overview of Working Capital
The Working Capital Cash Conversion Cycle (CCC)
How Changes in Current Accounts Impact External Financing
Working Capital Investment and Financial Strategies
Management of Credit and Accounts Receivable
Management of Inventory
Management of Accounts Payable
Multinational Working Capital Management Tools

Chapter 9: Working Capital Metrics

Basic Financial Concepts
Working Capital Metrics
Cash Conversion Cycle (CCC)
Cash Discount Calculations
A/R Monitoring and Control
DSO, Aging Schedule, Balance Pattern
Collections and Concentrations Calculations
Lockbox Cost/Benefit Analysis
Cash Concentration Break-Even Analysis

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Chapter 10: Collections, Concentration and Disbursements

Disbursements

- Products (ZBA, Controlled Disbursement, Positive Pay)
- Issues (Outsourcing, Account Reconciliation, Imaging)

Collections

- Collecting Payments
- Domestic Collection Products
- Cross-Border Collections and Trade Management Products

Concentration

- Domestic Concentration of Funds
- Global Concentration of Funds

Payments Fraud

Chapter 11: Short-Term Investing and Borrowing

Managing Short-Term Investments

- Pricing and Yields on Short-Term Investments
- Yield Curves, Tax Status, Yield Calculations

Managing Short-Term Financing

- Funding Alternatives, Pricing and Costs

Debt Financing

- Costs of Borrowing
- Components of Interest Rates
- Base Rates
- Short-term vs. Long-term Borrowing
- Loan Agreements and Covenants
- Credit Rating Agencies

Chapter 12: Long-Term and Capital Investments

Managing Capital Market Investments

- Objectives, Asset Allocation Decision
- Long-Term, Fixed Income Portfolio Management

Valuation of Long-Term Securities

- Bond or Fixed Income Valuation
- Preferred Stock Valuation
- Common Stock Valuation

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Chapter 13: Cash Forecasting

Purpose of Cash Forecasting
Issues and Opportunities
Types of Forecasts
The Forecasting Process
Forecasting Methods
Best Practices of Cash Forecasting

Chapter 14: Information Technology in Treasury

Information Technology for Treasury
 Role of information Management in Treasury & Technology Platforms
 ERP Systems
 Security
 Workflow Management
 Dashboards
 Policies and Guidelines
Treasury Management Systems (TMS)
 Functionality, Architecture and Costs
eCommerce
 Basics, EDI, Standards, eBAM & Mobile Banking

Chapter 15: Operational and Enterprise Risk Management

General Risk Management (Process and Profile)
Enterprise Risk Management (ERM)
 Market Risk, Credit Risk, Other Risks
Operational Risk Management
 Internal vs. External, Fundamental Factors
Disaster Recovery and Business Continuity
Insurance Risk Management

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Chapter 16: Financial Risk Management

Overview of Financial Risk Management in Treasury
Derivative Instruments Used as Financial Risk Management Tools
 Forwards, Futures, Options, Swaps
Basics of Financial Risk Management
 Hedging, Speculating, Arbitrage
Foreign Exchange (FX) Risk Management in Treasury
 Challenges, FX Rates, Emerging Markets
Currency Derivatives Used to Hedge FX Exposure
 Forward, Future, Swap, Option, Hedging Exotic Currencies
Interest Rate Exposure and Risk Management
 FRA, Futures, Swap, Option
Commodity Price Exposure
Other Issues Related to Financial Risk Management
 Accounting, Taxes, Hedging Policy Statement

Chapter 17: Treasury Policies and Procedures

The Role of Treasury Policies and Procedures
Process for Creating Policy Guidelines and Procedures
Short-Term Investment Policy Development
Overview of Key Treasury Policies and Considerations

Chapter 18: Financial Accounting and Reporting

Accounting Concepts and Standards
 Global, IFRS, U.S. GAAP
Financial Reporting Statements (Types and Examples)
Auditing and Financial Statement Reliability
Accounting for Derivatives, Hedges and FX Translation
Accounting for U.S. Governmental and Not-For-Profit Organizations

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Chapter 19: Financial Planning and Analysis

Cost Behavior

Types, Behaviors, Economies of Scale, Financial Leverage

Decision Evaluation

Identifying Relevant Costs and Revenues

Cost/Benefit Analysis

Developing Operating and Financial Budgets

Financial Statement Analysis and Ratios

Performance Measurement

Financial Analysis and Rating Agencies

Chapter 20: Financial Decisions and Management

Capital Structure of a Company

Optimal and Target Capital Structure

Capital Structure Theory

Business and Financial Risk (Operating and Financial Leverage)

Raising and Managing Long-Term Capital

Cost of Capital and Firm Value

Lease Financing and Management

Equity Financing and Management

Other Topics in Financial Decisions

Tax Strategies

Dividend Policy

Repatriation of Capital for MNCs

Market Analysis and Research Tools