

ACT

LEADING TREASURY
PROFESSIONALS

BUILDING FUTURES

**ADVANCED
DIPLOMA**
MCT

SYLLABUS

ADVANCED DIPLOMA MCT

- ▷ **Introduction**
- ▷ **Study Unit 1: Treasury strategy**
- ▷ **Study Unit 2: Treasury applications**
- ▷ **Study Unit 3 Strategic treasury solutions**



INTRODUCTION

The MCT Advanced Diploma builds specialist treasury knowledge and understanding of the strategic impact of treasury decisions and how they affect shareholder value.

The course develops in-depth expertise to underpin professional judgement and improve decision making. MCT Advanced Diploma provides a strategic understanding of the corporate financial management of treasury, allowing graduates to rise to the highest levels of the profession.

STUDY UNIT 1 Treasury strategy

This unit begins with a review of corporate strategy and leads on to establish the context for treasury as part of that strategy. The investor view for risk and return is then taken, looking at the implications for financial management. The construction of financial strategy is then investigated with its implications for financial risk and how this might be undertaken. The unit concludes by seeing how all these factors combine to influence treasury structure. You will expand on knowledge and skills from your AMCT studies (or acquired through equivalent experience/qualifications) and take these to a strategic understanding.

STUDY UNIT 2 Treasury applications

You will take the knowledge and skills and apply them to the problems that arise in a modern treasury in today's firm, understanding and then solving multi-faceted problems. The exercises will require you to evaluate issues while understanding the relationships between treasury, management, finance, the business operations and the external world.

Introduction

Unit one

Unit two

Unit three

STUDY UNIT 3

Strategic treasury solutions

You will develop your analytical, practical skills and professional judgement, enabling you to engage with any real-world finance or treasury issue with confidence. Unit 3 consists of two case studies. These cases studies are based on real-life organisations, providing an opportunity to see theory in practice.

STUDY UNIT 4

Revision and examination

Having completed the three course content study units, you will have developed core professional knowledge and skills and applied the theories and tools to real life complex issues. In this unit you will revise the knowledge and skills gained during the course, work through past paper exam questions, and you will take part in a revision tutorial. The two examinations are designed to test understanding and strategic application of knowledge.

STUDY UNIT 5

Project

During this final unit you will undertake an individual project on a subject of your choice. This provides an opportunity to apply the knowledge and skills developed to a subject of particular interest to you and to deal with a current issue that involves in-depth research and planning. The project topic will be agreed by your project supervisor who will continue to support you throughout this unit.

1 TREASURY STRATEGY

Module 1: Corporate strategy

Introduces the strategic aspects of the firm and how the role of treasurer fits into this, focusing on the two major themes of corporate governance and overall business strategy.

- 1.1 The agency problem and corporate governance
- 1.2 Corporate context of treasury
- 1.3 Strategic and economic analysis of the business
- 1.4 Where does treasury fit in?

Module 2: Risk and return

Investigates the business as an investment – balancing risk with appropriate returns. Following on from this are the corporate finance issues of investment appraisal, valuation and investor expectations.

- 2.1 Investor expectations and the cost of capital
- 2.2 Investment process and appraisal methods
- 2.3 Beta issues and gearing
- 2.4 Practical aspects of investment appraisal
- 2.5 Impact of country and currency on investment appraisal
- 2.6 Valuation

Module 3: Financial strategy

Tackles how a financial strategy is built around the issues of corporate strategy, capital structure, sources of finance and the maintenance of credit quality.

- 3.1 Leverage as the main component of financial policy
- 3.2 Influence of earnings volatility, leverage and sector on financial strategy
- 3.3 Financial strategy
- 3.4 Sources of finance
- 3.5 Making yourself a good borrower

Module 4: Financial risk

Examines the risks a firm faces in its investments and their financing, exploring a framework to manage risk plus an in depth review of foreign exchange and interest rate risk.

- 4.1 Background to financial risk and risk categories
- 4.2 Risk identification and assessment
- 4.3 Risk evaluation
- 4.4 Risk responses and risk policy
- 4.5 Foreign exchange and commodity risks in trading
- 4.6 Financial risks arising from ownership
- 4.7 Accounting in financial risk management

Module 5: Treasury structure

Pulls previous modules together to show the influences on treasury and liquidity structure to service the corporate and financial strategies, how treasury develops policies, as well as examining ethical issues.

- 5.1 Factors in the design of a treasury
- 5.2 Treasury organisation
- 5.3 Special purpose treasury structures
- 5.4 Outsourcing treasury
- 5.5 Treasury policy
- 5.6 Control and measurement of treasury

2 TREASURY APPLICATIONS

Module 1: Advanced financial profiling

Investigates the influence on shareholder value in one firm and reviews how financial management issues are handled differently by firms, even within the same sector.

- 1.1 Analysis of shareholder value and returns
- 1.2 Corporate context of strategy in one sector

Module 2: Acquisitions and disposals

Combines the decision making behind acquisitions and disposals with the practical steps needed by treasury departments to negotiate and complete transactions.

- 2.1 Mergers and acquisitions
- 2.2 Acquisitions and disposals

Module 3: Managing the risk profile

Considers alternative strategies for the management of pension, foreign exchange and interest rate risk with reference to a detailed case study firm.

- 3.1 Pension risk
- 3.3 Financial options
- 3.3 Advanced interest rate risk
- 3.4 Regulation and trading derivatives

Module 4: Raising finance in practice

This module looks at the alternatives available, including the decision making processes for both issuers and investors in debt and equity.

- 4.1 Credit ratings
- 4.2 Understanding your supplier of finance
- 4.3 Non-bank finance in bank syndications and generally

Module 5: Project finance, structured finance and leverage

This module looks at the issues around highly leveraged structures, such as those found in private equity and with a particular look at project finance.

- 5.1 Security
- 5.2 Case study in structured finance and leverage
- 5.3 Case study in project finance

Module 6: Managing corporate structure

This module investigates alternative corporate structures available to increase shareholder value, from investing via minorities or joint ventures with limited recourse to 100% subsidiaries with full central support, taking into account tax and dividend policy.

- 6.1 Forms of ownership
- 6.2 Tax and treasury
- 6.3 Cash management

3 STRATEGIC TREASURY SOLUTIONS

Case study 1: Treasury opportunities

An established company considers an acquisition. This case study raises a variety of issues and complexities, which need an integrated approach covering all of treasury's various specialist viewpoints.

- 1.1 Organisation and business analysis
- 1.2 Acquisition and funding strategy
- 1.3 Credit rating issues
- 1.4 Acquisition analysis
- 1.5 Debt refinancing
- 1.6 Business valuation
- 1.7 Treasury organisation and objectives

Case study 2: Treasury evolution

This young company has been successful and has plans to continue its growth, despite recent setbacks in its industry. This case study considers how treasury should evolve to support corporate strategy – both to promote the commercial opportunities for the business, and to manage the risks to its plans.

- 2.1 Organisation and business analysis
- 2.2 Financial strategy and value creation
- 2.3 Financial risk
- 2.4 Treasury structure
- 2.5 Pension risk

ACT

Competency Framework

GLOBAL TREASURY STANDARDS

ACT COMPETENCY FRAMEWORK

The result of consultation with senior treasurers, banks and learning and development teams, the framework defines the competencies treasurers need to operate successfully in global business today. The skills a treasurer needs over their career varies according to seniority. The competencies have been benchmarked and mapped to four job levels; tactical, operational, managerial and strategic.

The content of this syllabus introduces the skills required to operate at a strategic level.



Strategic Level

Managerial Level

Operational Level

Tactical Level

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