

Introduction

The majority of business decisions require the use of accounting and financial data. For example, in a marketing plan economic quantification is essential. The same happens with the decisions that are taken in a factory or those relating to human resources. Therefore it is expected that directors have sufficient knowledge of accounting and finance. However, it is possible these are not the areas of specialization of most managers. At the same time, it is understandable that there is not enough time available to become an expert in financial and accounting matters.

This book aims to achieve that non-experts in accounting and financial issues acquire quickly the most important financial and accounting tools. In particular, it is proposed that readers:

- Understand the contents of a company's accounting and financial information.
- Acquire specific skills to formulate diagnoses and plans of action based on the analysis of financial information.
- Understand the content of financial forecast information, both short term and long term.
- Know introductory techniques and concepts linked to the evaluation of investment and financing decisions.

To do this, the book begins by illustrating the most basic concepts: results, balance sheets and cash flow statements.

Then the main techniques which can be used to analyze a company's accounts are reviewed.

In the following chapters the bases for the preparation of a short-term budget and a long-term financial plan are outlined. Thus, you can understand the direction the company is taking and make corrective decisions if needed.

This is a powerful tool to monitor if the company is achieving its objectives.

Another topic of interest is the cost of the company's products. This is of fundamental interest because it affects important business decisions such as cutting a product line, or revising a sales price. The last chapters are devoted to investment and financing decisions. These chapters provide an overview of the most relevant aspects that should be mastered by a manager.

The different topics are explained from the beginning and in the majority of cases they are accompanied by practical exercises/examples that promote learning. At the end of each chapter, as well as at the end of the book, a glossary of the terms used is included.

The intention of this book, written with the collaboration of Maria Jesus Soriano, is to provide managers with tools to understand the economic dimension of their business decisions.

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