
Graduate Certificate in Treasury Management

Corporate Finance and Treasury

Corporate Finance and Treasury Glossary

Accounts Payable: Money owed by a company to its suppliers for goods or services purchased on credit.

Accounts Receivable: Money owed to a company by its customers for goods or services provided on credit.

Acquisition: The process by which one company buys another company or a portion of its assets.

Amortization: The process of spreading out the cost of an intangible asset over its useful life.

Asset Allocation: The practice of spreading investments across different asset classes to reduce risk.

Balance Sheet: A financial statement that shows a company's assets, liabilities, and equity at a specific point in time.

Capital Budgeting: The process of evaluating and selecting long-term investment projects.

Capital Structure: The mix of debt and equity used to finance a company's operations.

Cash Flow: The movement of cash in and out of a business.

Corporate Governance: The system of rules, practices, and processes by which a company is directed and controlled.

Cost of Capital: The rate of return required by investors to compensate them for the risk of investing in a company.

Debt Financing: Raising capital by borrowing money from lenders.

Dividend: A payment made by a company to its shareholders from its profits.

Financial Statement Analysis: The process of reviewing and analyzing a company's financial statements to make investment decisions.

Forecasting: The process of estimating future financial outcomes based on historical data and trends.

Hedging: Using financial instruments to reduce the risk of adverse price movements in assets or liabilities.

Initial Public Offering (IPO): The first time a company's stock is offered to the public.

Internal Rate of Return (IRR): The discount rate that makes the net present value of all cash flows from a project equal to zero.

Leverage: The use of debt to finance a company's operations.

Liquidity: The ability of a company to meet its short-term obligations.

Mergers and Acquisitions (M&A): The combining of two companies through a purchase or a merger.

Net Present Value (NPV): The difference between the present value of cash inflows and outflows over a specific period.

Operating Cash Flow: The cash generated from a company's core business operations.

Profit and Loss Statement: A financial statement that shows a company's revenues, expenses, and profits over a specific period.

Return on Investment (ROI): A measure of the profitability of an investment relative to its cost.

Risk Management: The process of identifying, assessing, and controlling risks that could threaten a company's financial health.

Securities: Tradable financial assets such as stocks and bonds.

Working Capital: The difference between a company's current assets and current liabilities. It represents the funds available for day-to-day operations.

Treasury Management: The management of a company's cash, investments, and financial risks to achieve its financial goals.

Treasury Operations: The day-to-day activities involved in managing a company's cash and liquidity.

Treasury Policy: A set of guidelines and procedures that govern a company's treasury activities.

Treasury Risk: The potential for financial losses due to changes in interest rates, exchange rates, or other market conditions.

Treasury Systems: Software tools used to streamline and automate treasury processes such as cash management, risk management, and reporting.

Working Capital Management: The management of a company's current assets and liabilities to maximize efficiency and minimize risk.

Foreign Exchange Risk: The risk of financial losses due to changes in exchange rates when dealing with foreign currencies.

Liquidity Risk: The risk of not being able to meet short-term obligations due to a lack of cash or liquid assets.

Interest Rate Risk: The risk of financial losses due to changes in interest rates affecting the value of assets or liabilities.

Market Risk: The risk of financial losses due to changes in market conditions such as interest rates, exchange rates, or commodity prices.

Credit Risk: The risk of financial losses due to the failure of a borrower to repay a loan or meet its obligations.

Treasury Management System (TMS): Software that helps companies manage their cash, investments, and financial risks more effectively.

Compliance: The act of following rules, regulations, and laws set by governing bodies to ensure ethical and legal behavior.

Liquidity Management: The process of managing a company's cash and short-term investments to maintain liquidity and meet financial obligations.

Counterparty Risk: The risk of financial losses due to the failure of a counterparty to fulfill its contractual obligations.

Financial Planning: The process of setting financial goals, creating a plan to achieve them, and monitoring progress.

Financial Risk: The risk of financial losses due to market conditions, credit risk, interest rate risk, or other factors.

Financial Strategy: A long-term plan that outlines how a company will achieve its financial goals.

Fundamental Analysis: The process of evaluating a company's financial statements, management, and competitive position to determine its value.

Interest Rate Swaps: Financial instruments used to exchange fixed-rate and floating-rate payments to manage interest rate risk.

Investment Policy: A set of guidelines that govern a company's investment decisions and strategies.

Market Risk Management: The process of identifying, assessing, and managing risks related to market conditions.

Net Working Capital: The difference between a company's current assets and current liabilities, excluding cash and short-term debt.

Operating Cycle: The time it takes for a company to convert its inventory into cash through sales.

Receivables Management: The process of managing a company's accounts receivable to maximize cash flow and minimize bad debts.

Working Capital Ratio: A financial ratio that measures a company's ability to pay off its short-term liabilities with its current assets.