

3RD ANNUAL COMPETITION AND ECONOMIC REGULATION (ACER) WEEK SOUTHERN AFRICA

VENUE: LAICO LEDGER PLAZA BAHARI BEACH HOTEL, DAR ES SALAAM, TANZANIA

Financial Analysis for Competition and Economic Regulation

11 – 13 July 2017



DRAFT OUTLINE

Day 1, 11 July 2017	
0830-0900	Registration and welcome
0900-1000	The role of financial analysis and cost accounting <ul style="list-style-type: none"> Using financial analysis and cost accounting in regulatory decisions Standards of evidence used in financial analysis and cost accounting
1000-1115	Activity based costing <ul style="list-style-type: none"> Variable and fixed costs The allocation of overhead expenditure Discussion on cost and revenue drivers
Tea break	
1130-1230	Measures of costs <ul style="list-style-type: none"> Volume based and non-volume based revenue drivers Activity based costing profitability analysis Resource consumption models Cost vs. benefit considerations
Lunch break	
1330-1500	Exercise 1: Setting mobile call termination rates <ul style="list-style-type: none"> Includes an analysis of stand-alone costs, fully allocated costs, marginal costs, long run average incremental costs
Tea break	
1515-1630	Exercise 1: Presentations

Day 2, 12 July 2017	
0830-1030	Introduction to financial theory <ul style="list-style-type: none"> The weighted average cost of capital Measures of profitability and capital budgeting techniques
Tea break	
1100-1230	Introduction to financial theory (continued) <ul style="list-style-type: none"> WACC and the Capital Asset Pricing Model Overview of measures of WACC for utilities
Lunch break	
1330-1500	Exercise 2: Cost of capital and costs of an efficient operator in excessive pricing cases
Tea break	
1515-1630	Exercise 2: Presentations

Day 3, 13 July 2017	
0830-1030	Introduction to financial analysis <ul style="list-style-type: none"> • Outline of financial statements • Statement of financial performance
Tea break	
1100-1230	Introduction to financial analysis (cont.) <ul style="list-style-type: none"> • Statement of financial position • Statement of cash flows
Lunch break	
1330-1500	Exercise 3: The evolution of investment and profitability of fixed regulated entities <ul style="list-style-type: none"> • Analysis of financial statements
Tea break	
1515-1630	Exercise 3: Presentations
1630-1645	Wrap up and presentation of certificates

Programme Lecturers and Facilitators

	<p>Thabiso Madiba qualified as a Chartered Accountant in 2006 after completing his articles at Ernst & Young in the industrial products division. In 2008, Thabiso moved to the University of Johannesburg where he currently lectures finance to the Chartered Accounting stream. He also has extensive experience in providing professional training to practitioners including economic regulators. Thabiso has been involved in the marking and adjudication of the South African SAICA QE 2 Financial Management exam and is a marker and assistant umpire for the SAICA ITC exam</p>
	<p>Nicholas Nhundu is a researcher at CCRED and has previously worked for ARC chartered accountants' advisory department as an analyst. He holds a Master's degree in Finance. Nicholas' experience extends to projects that include competition in South Africa's financial services sector, excessive pricing cases, a review of provincial development finance institutions and analysis of corporate strategy of South African lead firms on the JSE.</p>