

PRACTITIONER OPEN COURSES FOR AUTUMN 2010

MODULE PT2.1

Product Pricing

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Dates: 5th October 2010

Time: 0930 – 1300

Topics

Leasing

Cost of funds and margin

Capital allowances

How they work in the current tax regime

Time apportionment and dis-application rules

Co-terminous and non-co-terminous year ends

Probable effects on a funder's pricing

Consideration of the different lease tax treatments

Measuring profitability

Evaluation

Gross or net?

The methods of evaluation and their effects on income

· gross actuarial, net after tax and dual rate of return

Price building

Fixed rate pricing

Risk based pricing

How brokers build prices

Pooling

The classes of asset pool

Short-life assets

Short life asset assumptions

Long-life assets

Evaluating leases on a pooled and de-pooled basis

The consequences of a change in assumptions

· sale for tax written down value (or more)

· sale for less than tax value

Terminating long funding finance and operating leases

Termination: the effect of re-investment rates



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