

BUS 225 Business Finance

COURSE DESCRIPTION:

Prerequisites: ACC 120; MAT 143, or MAT 152

Corequisites: None

Course description. This course provides an overview of business financial management. Emphasis is placed on financial statement analysis, time value of money, management of cash flow, risk and return, and sources of financing. Upon completion, students should be able to interpret and apply the principles of financial management. Course Hours Per Week: Class, 2 Lab, 2 Semester Hours Credit, 3.

LEARNING OUTCOMES:

Upon completing requirements for this course, the student will be able to:

1. Acquire and exhibit an understanding of finance and the role that finance plays within an organization.
2. Acquire and exhibit an understanding of the different types of markets, institutions and individuals that are involved in the financial environment.
3. Acquire and exhibit an understanding of the financial statements and their components, their use and how they relate to each other in determining the financial health of an organization.
4. Acquire and exhibit an understanding of how to calculate different computations that provide valuable financial information such as the time value of money, ratios and etc.
5. Acquire and exhibit an understanding of the different types of risks and financial instruments that are available for financial gain such as bonds, stocks and etc.

OUTLINE OF INSTRUCTION:

- I. The Role of Managerial Finance
 - A. Finance & managerial finance defined
 - B. The function of managerial finance
 - C. The purpose of financial managers

- II. Relating Managerial Finance to Business
 - A. Explanation of the forms of business organization
 - i. Sole Proprietorship
 - ii. Partnership
 - iii. Corporation
 - B. Financial goals of the firm & issues related to achieving the goals

- III. The Financial Market Environment
 - A. Financial institutions & markets defined
 - B. Types of financial institutions & markets
 - C. Regulation of financial institutions & markets

- IV. Financial Statements & Ratios
 - A. The Four Key Financial Statements
 - i. Income Statement
 - ii. Balance Sheet
 - iii. Statement of Stockholder's Equity
 - iv. Statement of Cash Flows
 - B. Financial Ratios
 - i. Liquidity
 - ii. Activity
 - iii. Debt
 - iv. Profitability
 - v. Market

- V. Time Value of Money
 - A. The role of future value in finance
 - B. The role of present value in finance

- VI. Interest Rates & Bond Valuation
 - A. The fundamental of interest rates
 - i. Interest Rates
 - ii. Required Return
 - iii. Inflation
 - B. Fundamentals of bonds
 - i. Types of corporate bonds
 - ii. Bond features
 - iii. Bond ratings & valuations

- VII. Stock Valuation
 - A. Debt vs. equity financing
 - B. Common stock vs. preferred stock

REQUIRED TEXTBOOK AND MATERIAL:

The textbook: Fundamentals of Financial Management, 16th Edition, Brigham and Houston, and Cengage software.