COURSE TITLE: Finance for Non-Financial Managers

COURSE NUMBER: MHR 7830

I. RATIONALE:

Financial Management is essential to the long-term continuity, competitiveness and profitability of an organization. Effective techniques of assessing the organization’s financial stability for both the internal and external environment and analyzing trends to formulate strategic plans are essential skills for managers in today’s turbulent business environment.

II. MAJOR INSTRUCTIONAL GOALS:

GOAL A:
The student will understand the fundamental components of financial reporting.

Learning Outcome: The student will:

A-1 Review the contents of the stockholders’ report and the procedures for consolidating international financial statements.
A-2 Understand who uses financial ratios, and how.
A-3 Use ratios to analyze a firm’s liquidity and activity.

GOAL B:
The student will understand the relationship among financial reports, individual managerial decisions, and financial performance results.

Learning Outcome: The student will:

B-1 Discuss the relationship between debt and financial leverage and the ratios used to analyze a firm’s debt.
B-2 Use ratios to analyze a firm’s profitability and its market value.
B-3 Use a summary of financial ratios and the DuPont system of analysis to perform a complete ratio analysis.

GOAL C:
Read and interpret income statements and balance sheets; apply information to analysis and managerial decision making.

Learning Outcome: The student will:
C-1 Discuss the role of time value in finance, the use of computational tools, and the basic patterns of cash flow.
C-2 Discuss procedures for assessing and measuring the risk of a single asset.
C-3 Determine relevant operating cash inflows using the income statement format.

GOAL D:
Apply analytical techniques to understand cost, sales volume and profit relationships, especially break-even analysis and ratios.

Learning Outcome: The student will:

D-1 Discuss the role of breakeven analysis, the operating breakeven point, and the effect of changing costs on it.
D-2 Discuss the firm’s statement of cash flows, operating cash flow, and free cash flow.
D-3 Discuss the major components of relevant cash flows, expansion versus replacement cash flows, sunk costs and opportunity costs, and long-term investments.

GOAL E:
Understand the role and basic techniques of budgeting, budget variance analysis and forecasting as financial management tools.

Learning Outcome: The student will:

E-1 Understand the role of budgeting techniques in the budgeting process.
E-2 Understand the key motives for capital expenditure and the steps in the Capital budgeting process.
E-3 Define basic capital budgeting terminology.

GOAL F:
Understand the impact of changes in management decisions, upon financial planning and performance results.

Learning Outcome: The student will:

F-1 Understand the financial planning process, including long-term (strategic) financial plans and short-term (operating) financial process.
F-2 Discuss the cash-planning process and the preparation, evaluation, and use of the cash budget.
F-3 Explain the simplified procedures used to prepare and evaluate the pro forma Income statement and the pro forma balance sheet.

GOAL G:
Understand how conflicting internal objectives limit organizational financial performance and profitability.

**Learning Outcome:** The student will:

G-1 Explain the credit selection process and the quantitative procedure for evaluating changes in credit standards.
G-2 Discuss inventory management: differing views, common techniques, and international concerns.
G-3 Understand the management of receipts and disbursements, including float, speeding collections, slowing payments, cash concentration, zero-balance accounts, and investing in marketable securities.