

## LABETTE COMMUNITY COLLEGE BRIEF SYLLABUS

### **SPECIAL NOTE:**

This brief syllabus is not intended to be a legal contract. A full syllabus will be distributed to students at the first class session.

### **TEXT AND SUPPLEMENTARY MATERIALS USED IN THE COURSE (if any):**

Please check with the LCC bookstore <http://www.labette.edu/bookstore> for the required texts for this class.

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| <b><u>COURSE NUMBER:</u></b>        | FINA 126  |
| <b><u>COURSE TITLE:</u></b>         | FINANCIAL MANAGEMENT  |
| <b><u>SEMESTER CREDIT HOUR:</u></b> | 3   |
| <b><u>DEPARTMENT:</u></b>           | Financial Services  |
| <b><u>DIVISION:</u></b>             | Career Technical Education  |
| <b><u>PREREQUISITES:</u></b>        | ACCT 112 --FINANCIAL ACCOUNTING<br>ACCT 114 – MANAGERIAL ACCOUNTING |

### **COURSE DESCRIPTION:**

This course will introduce students to the basic principles of finance and how manager's use the financial decision making process in everyday business decisions in order to maximize shareholder wealth. The class will emphasize learning financial terminology, business performance analysis, risk, and the important concept of the time value of money. Students will be introduced to the financial decision making process and how this analysis is used for both short and long term business financing. The course also provides the student with a working knowledge and understanding of working capital management, investment valuations and various rates of return, financial forecasting and project evaluation.

### **COURSE OUTCOMES AND COMPETENICES:**

**Students who successfully complete this class will be able to:**

1. Gain a working knowledge of the role of the finance function and the financial manager.
  - Identify the goals of financial management.
  - Identify the various roles of the complex and evolving global financial markets.

2. Use Ratio Analysis from basic financial statements to explain business operations and profitability.

- Recognize and classify the three major financial statements analyzed by a financial manager.
- Calculate ratios concerning each financial statement and explain its impact on the company.
- Compare an individual firm's profit, asset utilization, liquidity, and debt ratios to other company's within its industry to determine how the firm is operating within that industry. We will also analyze performance between different industries.

3. Examine working capital management and the use of leverage in business strategies for financing working capital needs for growth and expansion within a business operation.

- Compute a company's break-even point and evaluate a break even analysis.
- Compute a company's degree of operating leverage and evaluate how operating and financial leverage work together in financing business projects.
- Learn the term structure of interest rates and its effect on the firm's financing decision.
- Learn about the financial manager's tendency toward an optimal working capital policy.

4. Understand current asset management.

- Learn the cash flow cycle of a business and the importance of cash balances.
- Understand the importance of account receivables and how this impacts cash flows.
- Learn the importance of, and the various types of, inventory management.

5. Compute various rates of return and how this applies to a firm's cost of capital.

- Compute various rates of return for various financing instruments.
- Compare similarities between capital budgeting and security valuations.
- Identify methods of capital budgeting.
- Compute a firm's cost of capital and determine a firm's optimal capital structure.
- Demonstrate understanding of current business capital budgeting practices by performing mathematical calculations reflecting these practices.

6. Understand the concept of the time value of money.

- Introduce the concept of the time value of money in business and personal decisions.
- Explain and compute the present value of a single amount and of an annuity.
- Explain and compute the future value of a single amount and of an annuity.
- Determine the yield on different investments.
- Examine the patterns of cash flows and its impact on the time value of money.
- Apply this concept to individual retirement needs.