

BUS 225: BUSINESS FINANCE

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.

Prerequisites: ENG 090 and RED 090 or DRE 098; or satisfactory score on placement test; ACC 120; MAT 143 or MAT 152

Corequisites: None

LEARNING OUTCOMES:

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

Student Learning Outcomes

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 Stockholders' 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 Fundamentals of Interest Rates
 - i. Interest Rates
 - ii. Required Return
 - iii. Inflation
 - B. The 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 MATERIALS:

The textbook and other instructional materials will be determined by the instructor to insure that current and relevant concepts and theories are present.

STATEMENT FOR STUDENTS WITH DISABILITIES:

Students who require academic accommodations due to any physical, psychological, or learning disability are encouraged to request assistance from a disability services counselor within the first two weeks of class. Likewise, students who potentially require emergency medical attention due to any chronic health condition are encouraged to disclose this information to a disability services counselor within the first two weeks of class. Counselors can be contacted by calling 919-536-7208 or by visiting the Student Development Office in the Phail Wynn Jr. Student Services Center, room 10-209.