



Business Finance Fundamentals

Financial managers must be able to convert relevant accounting and tax information into meaningful and actionable information for organizational decision-making.

This module includes instruction on a financial statement and cash flows, planning for growth and control, debt management, financial instruments, capital budgeting, and returns.

Learning Outcomes

1. Describe how financial professionals use accounting information to analyze the firm's cash flows and financial performance.
2. Identify and examine four major financial statements.
3. Explain how popular financial ratios are used to analyze financial performance.
4. Explain how detailed operating plans can project inflows and outflows of cash.
5. Discuss how strategic plans can help firms project earnings over one or two years.
6. Describe different types of financial instruments.
7. Explain the types of debt.
8. Recognize the features and characteristics of equity.
9. Explain the cost of money and how it is determined.
10. Describe how government actions and business activity affect interest rates.
11. Discuss how the level of interest rates affect the values of stocks and bonds.
12. Identify how a firm chooses between two or more acceptable investments when only one can be purchased.
13. Recognize how risk is incorporated in capital budgeting analysis.

Recommended Learners

- Undergraduate Students
- Graduate Students
- Learners who require an overview of the discipline

Balance Sheet for Global Petroleum Corporation

The table below presents Global Petroleum Corporation's balance sheet as of December 31, 20X1. As is standard practice in annual reports, the table also shows the prior year's (20X0) accounts for comparison.

GLOBAL PETROLEUM CORPORATION BALANCE SHEETS AT DECEMBER 31, 20X0 and 20X1 (\$ IN MILLIONS)					
ASSETS	20X1	20X0	LIABILITIES AND EQUITY	20X1	20X0
Current Assets			Current liabilities		
Cash and cash equivalents	\$ 440	\$ 213	Accounts payable	\$ 1,697	\$ 1,304
Marketable securities	35	28	Notes payable	477	587
Accounts receivable	1,619	1,203	Accrued expenses	440	379
Inventories	615	530	Total current liabilities	\$ 2,614	\$ 2,270
Other (mostly prepaid expenses)	170	176	Long-term liabilities		
Total current assets	\$ 2,879	\$ 2,150	Deferred taxes	\$ 907	\$ 793
Fixed assets			Long-term debt	1,760	1,474
Gross property, plant, and equipment	\$ 9,920	\$ 9,024	Total long-term liabilities	\$ 2,667	\$ 2,267
Less: Accumulated depreciation	3,968	3,335	Total liabilities	\$ 5,281	\$ 4,537
Net property, plant, and equipment	\$ 5,952	\$ 5,689	Stockholders' Equity		
Intangible assets and others	758	471	Preferred stock	\$ 30	\$ 30
Net fixed assets	\$ 6,710	\$ 6,160	Common stock (\$1 par value)	373	342
			Paid-in-capital in excess of par	248	229
			Retained earnings	4,271	3,670
			Less: Treasury stock	(514)	(498)
			Total Stockholders' equity	4,308	3,773
Total Assets	\$ 9,589	\$ 8,310	Total liabilities and equity	\$ 9,589	\$ 8,310

Balance Sheet Assets

Cash and cash equivalents are assets such as checking account balances at commercial banks that can be used directly as means of payment.

An example of a learning event in our Leading Edge Learning modules. The types of instructional content within the modules include: readings, videos, transcripts, audios, interactive questions, offline application exercises, flash cards, narrated presentations, matching exercises, relevant articles, downloads, a final exam, and other activities designed to engage learners based on recognized science of learning educational concepts.

Applications and Best Practices

- ✓ Integrate in a management, small business, or finance course.

✓ Academic leveling for learners who may not have adequate preparation for advanced studies.
- ✓ Develop skill sets of working professionals.

✓ Professional development for continuing education or refresher of skills.

Pricing
Module is Approximately 3-5 Learner Hours

1-100 Learners per Year	101-500 Learners per Year	500+ Learners per Year
\$49 per Learner	\$44 per Learner	\$39 per Learner