



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 financial statements and cash flows, planning for growth and control, debt management, financial instruments, capital budgeting, and returns. This module is appropriate for employees newly assigned to job roles that require financial analysis and reporting.

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. Restate the key concepts involved in cash flow analysis.
4. Explain how popular financial ratios are used to analyze a firm's financial performance.
5. Recognize how firms develop strategic plans that look to the future.
6. Explain how detailed operating plans can project inflows and outflows of cash.
7. Discuss how strategic plans can help firms project earnings over one or two years.
8. Examine how financial plans are used by managers to line up financing before cash shortfalls become critical.
9. Recognize how financial plans help firms identify problems before they arise.
10. Describe different types of financial instruments.
11. Explain the types of debt.
12. Discuss bond ratings and why they are important.
13. Recognize the features and characteristics of equity.
14. Explain the cost of money and how it is determined.
15. Review factors that affect interest rates.
16. Describe how government actions and business activity affect interest rates.
17. Discuss how the level of interest rates affect the values of stocks and bonds.
18. Explain the relevant cash flows associated with a capital budgeting project.
19. Describe how firms make decisions about whether to invest in costly, long-lived real assets.
20. Identify how a firm chooses between two or more acceptable investments when only one can be purchased.
21. Recognize how risk is incorporated in capital budgeting analysis.

Recommended Learners

Higher Education

- Undergraduate Students
- Graduate Students

Business, Industry, Nonprofits, & Agencies

- Business Owners and Entrepreneurs
- Financial Managers

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					
Cash and cash equivalents	\$ 440	\$ 213	Current liabilities		
Marketable securities	35	28	Accounts payable	\$ 1,697	\$ 1,304
Accounts receivable	1,619	1,203	Notes payable	477	587
Inventories	615	530	Accrued expenses	440	379
Other (mostly prepaid expenses)	170	176	Total current liabilities	\$ 2,614	\$ 2,270
Total current assets	\$ 2,879	\$ 2,150	Long-term liabilities		
Fixed assets					
Gross property, plant, and equipment	\$ 9,920	\$ 9,024	Deferred taxes	\$ 907	\$ 793
Less: Accumulated depreciation	3,968	3,335	Long-term debt	1,760	1,474
Net property, plant, and equipment	\$ 5,952	\$ 5,689	Total long-term liabilities	\$ 2,667	\$ 2,267
Intangible assets and others	758	471	Total liabilities	\$ 5,281	\$ 4,537
Net fixed assets	\$ 6,710	\$ 6,160	Stockholders Equity		
Total Assets					
	\$ 9,589	\$ 8,310	Preferred stock	\$ 30	\$ 30
			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	614	498
			Total Stockholders' equity	4,308	3,773
			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

Higher Education

- ✓ Professional development opportunities for students.
- ✓ Provide foundational knowledge for business management students.
- ✓ Instructional content for strategic and operational financial planning.

Business, Industry, Nonprofits, & Agencies

- ✓ Employees transitioning into a management and finance position.
- ✓ Entrepreneurs gain an understanding of how to use financial information to make informed organizational decisions.

Pricing

Module is Approximately 3-5 Learner Hours

1-100 Learners per Year
\$49 per Learner

101-500 Learners per Year
\$44 per Learner

500+ Learners per Year
\$39 per Learner