

I. COURSE DESCRIPTION:

This course enables the student the opportunity to acquire the knowledge to understand the concepts utilized in the preparation of financial analysis and the utilization of financial information in the management decision-making process. Students will be able to identify and prepare financial analysis utilized by managers in the decision-making and control of a business.

II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:

Upon successful completion of this course, the student will demonstrate the ability to:

1. Interpret and understand the primary Financial Statements used by firms in the financial decision-making process.

Potential Elements of the Performance:

- Interpret the information contained in the Balance Sheet, Income Statement and Retained Earnings Statement.
- Understand the bookkeeping and accounting cycle
- Differentiate between cash accounting and accrual accounting.
- Differentiate between depreciation methods, capital cost allowance, amortization.
- Explain the meaning of Deferred Taxes.
- Differentiate between net income after taxes and cash flow

2. Analyze and prepare The Cash Flow Statement.

Potential Elements of the Performance:

- Explain the importance of managing Cash Flow.
- Identify the key elements of Cash Flow.
- State the basic rules that can be used to identify funds flow.
- Examine the changes in the flow of funds in financial statements.
- Analyse cash flow by comparing two consecutive balance sheets.

3. Use financial statement analysis to evaluate the financial performance of a business.

Potential Elements of the Performance:

- Perform a Common-Size and Horizontal analysis of a company's Financial Statements.
- Analyse financial statements by using meaningful ratios.
- Analyse the relationships that exist between several categories of ratios to determine the financial performance of a company.

- Identify the limitations of financial ratios.
- Understand the use of financial benchmarks as a method of improving a company's financial performance.

4. Working Capital Management.

Potential Elements of the performance:

- Define the meaning and importance of the cash conversion cycle.
- Discuss managing cash and cash equivalents.
- Discuss various techniques related to accounts receivable management.
- Explain strategies used to manage inventory.
- Demonstrate how current liability accounts can be managed to improve the cash flow cycle.

5. Cost of Capital and Capital Structure.

Potential Elements of the performance:

- Explain the structure and cost concepts.
- Clarify the meaning of the cost of financing, why it is useful and how it is calculated.
- Explain the economic value added concept.
- Explain the components of the weighted average cost of capital.
- Explain the concept of leverage analysis.

6. Profit Planning and Decision-Making

Potential Elements of the performance:

- Explain the various cost concepts related to break-even analysis.
- Draw the break-even chart and calculate the break-even point.
- Differentiate between the different types of cost concepts.

7. Time Value of Money

Potential elements of the performance:

- Differentiate between time value of money versus inflation and risk.
- Explain financial tools used to solve time-value-of-money problems.
- Differentiate between future values of single sums and future values of annuities.
- Differentiate between present values of single sums and present values of annuities.
- Solve capital investment problems using time-value-of-money concepts.

8. Capital Budgeting

Potential elements of the performance:

- Explain the capital budgeting process.
- Evaluate capital investment decisions by using time-value-of-money yardsticks.
- Assess capital investment decisions.

III. TOPICS:

1. Overview of Financial Management: Chapter 1
2. Accounting and Financial Statements: Chapter 2
3. Statement of Cash Flows: Chapter 3
4. Financial Statement Analysis: Chapter 4
5. Profit Planning and Decision-Making: Chapter 5
6. Working Capital Management: Chapter 6
7. Cost of Capital and Capital Structure: Chapter 9
9. Time Value of Money: Chapter 10
8. Capital Budgeting: Chapter 11

IV. REQUIRED RESOURCES/TEXTS/MATERIALS:

Finance for Non-Financial Managers 6th Edition , Pierre G. Bergeron,
Thomson/Nelson Publishers.

V. EVALUATION PROCESS/GRADING SYSTEM:

Students will be evaluated as follows:

- Test #1 (34% of grade)
- Test #2 (33% of grade)
- Test #3 (33% of grade)

TESTS:

Dates of tests will be announced at least two weeks in advance. **Students are required to write all tests as scheduled!! There are no Supplementary exams or re-writes of individual tests.**

The following semester grades will be assigned to students:

<u>Grade</u>	<u>Definition</u>	<u>Grade Point Equivalent</u>
A+	90 – 100%	4.00
A	80 – 89%	3.00
B	70 - 79%	2.00
C	60 - 69%	1.00
D	50 – 59%	

F (Fail)	49% and below	0.00
CR (Credit)	Credit for diploma requirements has been awarded.	
S	Satisfactory achievement in field /clinical placement or non-graded subject area.	
U	Unsatisfactory achievement in field/clinical placement or non-graded subject area.	
X	A temporary grade limited to situations with extenuating circumstances giving a student additional time to complete the requirements for a course.	
NR	Grade not reported to Registrar's office.	
W	Student has withdrawn from the course without academic penalty	

VI. SPECIAL NOTES:

Classroom Decorum:

Students will respect the diversity and the dignity of those in the classroom. Student will respect the professor's right and duty to teach and students' right to learn without interference. Students who cause any interference with the objectives of the class will be asked to leave the classroom.

If a student is asked to leave the classroom a second time, he/she must make an appointment with the Chair of the Business Department who will decide if the student will be permitted to return to class.

Cell Phones must be turned off during class time. If a student does not follow this policy they will be asked to leave the classroom.

It is the professor's intention to maintain proper classroom decorum at all times in order to provide the best possible learning and teaching environment.

Electronic devices used to record instruction are not allowed in the classroom with the exception of issues related to accommodations of disability. Formal accommodation documentation must be provided by the student from the Disability Services Department prior to requesting the recording of instruction.

Attendance:

Sault College is committed to student success. There is a direct correlation between academic performance and class attendance; therefore, for the benefit of all its constituents, all students are encouraged to attend all of their scheduled learning and evaluation sessions. This implies arriving on time and remaining for the duration of the scheduled session. ***It is the departmental policy that once the classroom door has been closed, the learning process has begun. Late arrivers will not be granted admission to the room.***

Students are expected to attend all scheduled classes. Attendance will be taken for each class on a sign in basis. In all cases, attendance of less than 80% of the scheduled classes is not acceptable.

Return of Students' Tests, Exams and Assignments:

Tests and assignments will be returned to students during **one of the normal class times**. Any student not present at that time must pick up his/her test or assignment at the professor's office within two weeks of that class. Tests and assignments not picked up within the two weeks will be discarded. End of semester tests and assignments will be held for two weeks following the end of the semester. If they have not been picked up within that two-week period, they will be discarded.

Students are required to retain their tests and assignments in the event that there is a disagreement with the mark received and the mark recorded by the professor. If the student is not able to present the test/assignment in question, the professor's recorded mark will stand.

Contact Information:

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VII. COURSE OUTLINE ADDENDUM :

The provisions contained in the addendum located on the portal form part of this course outline.