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## COURSE OUTLINE

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<b>Course Name and Code</b>	<b>Finance LDS SA-OEL856</b>
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<b>Total Hours</b>	30
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<b>Credits</b>	2
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**Prerequisite(s)**

**Co requisite(s)**

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### Course Description

Leaders in any organization need to understand the cost of doing business. Financial documents are used to explain how money is used in a business and can be interpreted to predict an organization's success. The ethical and effective use of financial statements and ratio calculations for forecasting and budget preparation can ensure investments or withdrawals within an organization will produce a healthy return or mitigate decline in other areas. Knowing the processes for assessing ROI, creating a budget and anticipating variances are critical in any organization in order to make effective decisions.

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### Course Outcomes

Successful completion of this course will enable the student to:

1. Describe the importance of finance in all decision-making.
2. Describe the importance of financial statements including:
  - a. The balance sheet
  - b. The income statement
  - c. The statement of cash flows
  - d. The statement of owner's equity
3. Evaluate the information provided in financial statements through ratio, horizontal, and vertical analysis.
4. Analyze initiatives using cost-volume-profit and break-even analysis
5. Prepare and analyze budgets
6. Prepare a cash budget
7. Explain the time value of money and its use in decision-making
8. Make capital budgeting decisions using:
  - a. The payback period technique
  - b. The net present value technique
  - c. The internal rate of return technique

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## COURSE OUTLINE

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2

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<b>Course Name and Code</b>	<b>Finance LDS SA-OEL856</b>
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### Topics

- The role of finance in an organization
- Financial jargon
- Identification of financial statements
- Ratio analysis
- Horizontal analysis
- Vertical analysis
- Cost-volume-profit analysis
- Creating an operating budget
- Budget variance analysis
- Creating a cash budget
- The time value of money
- Interest rates
- Compounding
- Discounting
- Calculating loan payments
- Capital budgeting
- Payback period
- Net present value
- Internal rate of return

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## COURSE OUTLINE

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3

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**Course Name and Code**            **Finance LDS  
SA-OEL856**

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### Required Student Resources (Including textbooks and workbooks)

Leadership Development Series – Finance – Participant Guide

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### Optional Resources

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#### Evaluation

Ratio Analysis Project	20%
Assignment #1 - Break-even analysis	10%
Assignment #2 – Creating a budget	10%
Assignment #3 - Preparing a cash budget	10%
Assignment #4 - The Time Value of Money	10%
Assignment #5 - Capital Budgeting	10%
Final Exam	<u>30%</u>
<b>Total</b>	<b>100%</b>

In order to successfully complete this course, the student is required to meet each of the following evaluation criteria.

Achieve an overall grade of  $\geq 60\%$  for the course.

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**Other** Students are responsible for keeping all returned assignments and tests in the event of disputes over recorded marks. A student who misses a class is responsible for obtaining any handouts and information on course content, assignments, due dates, test dates, etc.

**Prepared by:** The Leadership Development Series Editorial Committee

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**Division:**

**Campus:**

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**Date:**            January 2014

**Previous Outline Dated**            August 2011

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