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## COURSE OUTLINE

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<b>Course Name and Code</b>	<b>SA-OEL856 - Finance - LDS</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. Explain the Generalized Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS);
2. Describe the importance of the following related to decision making:
  - a. Income statements
  - b. Balance sheets
  - c. Cash Flows
  - d. Forecasting
  - e. Breakeven Analysis
  - f. Profit analysis
  - g. Sensitivity Analysis
3. Explain the use of the following in relation to profitability, stability, liquidity, and efficiency:
  - a. Gross Profit Margin
  - b. Net Margin
  - c. ROE/ROI/ROA
  - d. Debt Ratio
  - e. Current Ratio
  - f. Quick Ratio
  - g. Inventory Turnover
  - h. Average collection/payment period

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## COURSE OUTLINE

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

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4. Explain the critical elements of financial statements including the impact on organizational decisions;
5. Use financial, organizational and operational documents to communicate strategic and leadership activities;
6. Explain the elements of forecasting including how it is used for decision making;
7. Create a variance analysis for a budget;
8. Create a forecast for a work initiative;
9. Create a budget for a work initiative; and
10. Make decisions based on relevant financial analysis.

### Topics

- Capital Budgets
- Operational Budgets
- Financial Statements
- Income Statements
- Balance Sheets
- Management Accounting
- Cost of Capital
- Cost of Goods Sold
- Fixed Costs
- Variable Costs
- Cash Flows
- Earnings Multiples
- Calculation of Profit Margin and Other Ratios of Profitability
- Inventory Management
- Cost of Inventory
- Principles of Purchasing
- Financial Forecasting
- Sensitivity Analysis
- Budget Creation
- Internal Audit
- Variance Analysis
- NPV (Net Present Value)
- Hurdle Rate
- Minimum Acceptable Rate of Return

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## COURSE OUTLINE

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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

Budgeting Assignment	10%
Forecasting Assignment	10%
Project	20%
Case Studies	30%
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:** August 2011

**Previous Outline Dated**

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