

SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SAULT STE. MARIE, ON



COURSE OUTLINE

COURSE TITLE: Financial Analysis/Management

CODE NO.: BUS 107-4

SEMESTER: 99W

PROGRAM: Native Community Worker

AUTHOR: John Cavaliere

DATE: December 1998

PREVIOUS OUTLINE DATED: New

APPROVED: _____

DEAN

98 11 27

DATE

TOTAL CREDITS 4

PREREQUISITE(S): _____

LENGTH OF COURSE: 16 weeks **TOTAL CREDIT HOURS:** 64

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For additional information, please contact Joe FRUCHTER, School of
Business, (705) 759-2554, Ext. 688.

I. COURSE DESCRIPTION:

This course enables the student to acquire the knowledge to understand the concepts utilized in the preparation of Financial Statements and the utilization of financial information in the management of the financial affairs of a business. Students will be able to identify the financial business concepts required to successfully manage and analyse the ongoing operations of a business.

II. LEARNING OUTCOMES AND ELEMENTS OF PERFORMANCE:

(Generic Skills Learning Outcomes placement on the course outline will be determined at a later date)

A. Learning Outcomes:

1. Describe financial planning and distinguish between strategic plans and functional plans.
2. Understand how Financial Statements are used by businesses. Identify the principal components of a Balance Sheet, Income Statement and Statement of Cash Flows.
3. Use Financial ratios to evaluate the financial performance of a business.
4. Forecast and prepare projections of future Financial Statements.
5. Integrate several of the methods provided in the calculation of the Time Value of Money to solve real life financial problems.
6. Understand the purpose and need for a Budget and be able to prepare a Capital Budget.

B. Learning Outcomes and Elements of the Performance:

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

1. Describe financial planning and distinguish between strategic plans and functional plans.

Elements of the performance:

- Describe the five basic functions of a manager and how they relate to small business.
- Identify the relationships between savings, income, expenditures and cost.
- Understand the relationship between risk and return on investment.
- Understand the basic economic concepts of finance.
- Compare and contrast the basic forms of business ownership (sole proprietor, partnership and corporation).

This learning outcome will constitute 10% of the course's grade.

Understand how Financial Statements are used by businesses. Identify the principal components of a Balance Sheet, Income Statement and Statement of Cash Flows.

Elements of the performance:

- Understand how financial statements are used by business.
- Analyse the basic components of the accounting equation.
- Given the basic data for a company, be able to construct a financial statement.
- Understand the problems that may exist with financial statements.

This learning outcome will constitute 20% of the course's grade.

3. Use Financial ratios to evaluate the financial performance of a business.

Elements of the performance:

- Perform a Vertical and Horizontal analysis of a company's Financial Statements.
- Perform Ratio Analysis of a company and compare those ratios to other companies within the same industry using industry averages.
- Analyse the relationships that exist between several categories of ratios to determine the health of a business.

This learning outcome will constitute 20% of the course's grade.

4. Forecast and prepare projections of future Financial Statements.

Elements of the performance:

- Understand the importance of a sales forecast to a business.
- Know how to evaluate a forecasting model.
- Construct Pro Forma financial statements from available data on a proposed or existing business.

This learning outcome will constitute 20% of the course's grade.

5. Integrate several of the methods provided in the calculation of the Time Value of Money to solve real life financial problems.

Elements of the performance:

- Calculate simple interest and compound interest.
- Calculate an effective rate and stated rate of return.
- Calculate the future value and present value of an investment.
- Use financial tables to solve time value of money problems.

This learning outcome will constitute 15% of the course's grade.

Understand the purpose and need for a Budget and be able to prepare a Capital Budget.

Elements of the performance:

- Define the concept of Capital Budgeting for a Firm.
- Prepare a Capital Budget using the Four steps to Capital Budgeting.
- Calculate the Cost of Capital for a Firm.
- Calculate the Net Operating Cash Flow for a Project.
- Calculate the Net Present Value of an Investment
- Calculate the Internal Rate of Return for a Firm.
- Use the Payback of an Investment method to screen investment choices.

This learning outcome will constitute 15% of the course's grade.

Method of Assessment:

A) Grading:	A+	90% - 100%
	A	80% - 89%
	B	70% - 79%
	C	60% - 69%
	R	Below 59% - Repeat the course

B) **TESTS:** All students will be required to complete **FOUR** tests during the course of the term. The total weighting of the four tests will represent 100% of the final term grade. Each test is weighted as 25% of the total grade. The tests will be administered during the term as follows:

Test #1: Learning outcome #1&2: Reference material is Chapter 1,2,3

Test #2: Learning outcome #3&4: Reference material is Chapter 4,5,6

Test #3: Learning outcome #5: Reference material is Chapter 8

Test #4: Learning outcome # 6: Reference material is Chapter 9.

Notes to Students:

- a) Attendance is critical to the participant's success in this course.
- b) Your instructor reserves the right to modify the course as he/she deems necessary to meet the needs of the students.

If you are a student with special needs you are encouraged to discuss accommodations with the Special Needs Office, Room E1204, Ext# 493,717,491 so that support services can be arranged for you.

PRIMARY RESOURCES

Entrepreneurial Finance: Finance for Small Business, Adelman,
Marks, Prentice Hall Publishers ISBN# 0-13-812983-5

LIBRARY RESOURCES

Globe and Mail Report on Business
Toronto Star Report on Business

Financial Post
Canadian Business