Course Information
Division: Business
Course Number: SBM 211
Title: Financial Management
Credits: 3
Developed by: Mike Fox
Lecture/Lab Ratio: 3 Lecture/0 Lab
Transfer Status

<table>
<thead>
<tr>
<th>ASU</th>
<th>NAU</th>
<th>UA</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGB Dept Elective</td>
<td>FIN Departmental Elective</td>
<td>Elective Credit</td>
</tr>
</tbody>
</table>

Activity Course: No
CIP Code: 52.0703
Assessment Mode: Pre/Post Test (15 Questions/35 Points)
Semester Taught: Fall and Spring
GE Category: None
Separate Lab: No
Awareness Course: No
Intensive Writing Course: No
Diversity and Inclusion Course: No
Prerequisites
None

Educational Value
Develops essential skills in decision making for managing the financial aspects of an entrepreneurial organization. It is required for the Small Business Management AAS degree.

Description
Presents the principles of business financial management, including financial planning, understanding and analyzing financial statements, working capital management, break-even analysis, and raising capital. Emphasis is placed on using financial information for making effective business decisions.

Supplies
None
Competencies and Performance Standards

1. **Explain basic financial and economic concepts.**
   
   **Learning objectives**
   
   *What you will learn as you master the competency:*
   
   a. Explain the basic concept and importance of finance as it related to individuals and business.
   b. Describe the basic economic concepts of finance.
   c. Determine the opportunity cost of making decisions.
   d. Explain the relationship that exist between risk and return on investment.

   **Performance Standards**
   
   *Competence will be demonstrated:*
   
   o on satisfactory completion of "hands-on" activities
   o on satisfactory completion of written exam
   
   **Criteria - Performance will be satisfactory when:**
   
   o learner explains the basic concept and importance of finance as it related to individuals and business
   o learner describes the basic economic concepts of finance
   o learner determines the opportunity cost of making decisions
   o learner explains the relationship that exist between risk and return on investment

2. **Apply concepts of financial management and planning.**

   **Learning objectives**
   
   *What you will learn as you master the competency:*
   
   a. Distinguish between strategic plans and functional plans.
   b. Describe the financial goals of a for-profit organization.
   c. Compare and contrast the basic forms of business ownership (sole proprietorship, partnership, and corporation).

   **Performance Standards**
   
   *Competence will be demonstrated:*

   o on satisfactory completion of "hands-on" activities
   o on satisfactory completion of written exam
   o on satisfactory completion of case assignments
   
   **Criteria - Performance will be satisfactory when:**
   
   o learner distinguishes between strategic plans and functional plans
   o learner describes the financial goals of a for-profit organization
   o learner compares and contrasts the basic forms of business ownership (sole proprietorship, partnership, and corporation)

3. **Explain and create financial statements.**

   **Learning objectives**
   
   *What you will learn as you master the competency:*
   
   a. Explain why and how financial statements are useful for decision-making.
   b. Prepare a properly formatted balance sheet.
c. Create a properly formatted income statement.
d. Prepare a properly formatted statement of cash flows.

**Performance Standards**

*Competence will be demonstrated:*
- on satisfactory completion of "hands-on" activities
- on satisfactory participation in and completion of case assignments
- on satisfactory completion of written exam

**Criteria - Performance will be satisfactory when:**
- learner explains why and how financial statements are useful for decision-making
- learner prepares a properly formatted balance sheet
- learner creates a properly formatted income statement
- learner prepares a properly formatted statement of cash flows

4. **Analyze financial statements.**

**Learning objectives**

*What you will learn as you master the competency:*

a. Explain the purpose of financial statement analysis.
b. Perform a vertical analysis of a company’s financial statements.
c. Perform a horizontal analysis of a company’s financial statements.
d. Perform ratio analysis of a company and compare those ratios with other companies within the same industry using industry averages.
e. Distinguish among profitability, leverage, efficiency and liquidity ratios.
f. Obtain financial statements and financial information from various sources.

**Performance Standards**

*Competence will be demonstrated:*
- on satisfactory completion of "hands-on" activities
- on satisfactory participation in and completion of case assignments
- on satisfactory completion of written exam

**Criteria - Performance will be satisfactory when:**
- learner explains the purpose of financial statement analysis
- learner performs a vertical analysis of a company’s financial statements
- learner performs a horizontal analysis of a company’s financial statements
- learner performs ratio analysis of a company and compare those ratios with other companies within the same industry using industry averages
- learner distinguishes among profitability, leverage, efficiency and liquidity ratios
- learner obtains financial statements and financial information from various sources

5. **Perform profit, profitability, and break-even analysis.**

**Learning objectives**

*What you will learn as you master the competency:*

a. Explain the relationship of profit margin and asset turnover to the earning power of a company.
b. Determine the break-even point and contribution margin.
c. Construct and analyze a break-even chart

**Performance Standards**

*Competence will be demonstrated:*
- on satisfactory completion of "hands-on" activities
- on satisfactory participation in and completion of case assignments
- on satisfactory completion of written exam

*Criteria - Performance will be satisfactory when:*
- learner explains the relationship of profit margin and asset turnover to the earning power of a company
- learner determines the break-even point and contribution margin
- learner constructs and analyzes a break-even chart when given the variable costs, revenue, and fixed costs of a business

6. **Explain the time value of money - Part I: Future and present value of lump sums.**

**Learning objectives**

*What you will learn as you master the competency:*

a. Explain the relationship between time value of money and inflation.
b. Calculate the future value lump sum and present value lump sum factors that are used to solve time-value-of-money problems.
c. Calculate the internal rate of return with respect to present value of a lump sum and future value of a lump sum.

**Performance Standards**

*Competence will be demonstrated:*
- on satisfactory completion of "hands-on" activities
- on satisfactory participation in and completion of case assignments
- on satisfactory completion of written exam

*Criteria - Performance will be satisfactory when:*
- learner explains the relationship between time value of money and inflation
- learner calculates the future value lump sum and present value lump sum factors that are used to solve time-value-of-money problems
- learner calculates the internal rate of return with respect to present value of a lump sum and future value of a lump sum

**Types of Instruction**

Classroom Presentation
Online videos
Group activities
Grading Information

Grading Rationale
Exams – 25%
Activities – 25%
Assignments – 40%
Post-test – 10%
Total possible – 100%

Grading Scale
A  90-100%
B  80-89%
C  70-79%
D  60-69%
F  Below 60%