

COURSE OUTLINE**Business Administration 131
Introduction to Finance****I. Catalog Statement**

The Business Administration 131 course introduces the student to financial management, budgeting, accounting, and decision-making. Financial management and budgeting are central to modern business and the successful administrator must understand the processes of these activities. This course introduces the student to basic concepts necessary for the evaluation of these decisions, and familiarizes them with analytical tools and current issues in today's business world. The material is applicable to large corporations, small businesses, and nonprofit organizations.

Units – 3.0

Lecture/Demonstration Hours – 3.0

Prerequisite: None.

Note: One year of accounting is strongly recommended.

II. Course Entry Expectations

Skills Level Ranges: Reading 4; Writing 4; Listening/Speaking 4; Math 4.

Prior to enrolling in the course, the student should be able to:

1. read and analyze the three fundamental financial statements: balance sheet, income statement, and statement of cash flows;
2. understand the relationships between the fundamental financial statements;
3. manipulate basic algebraic equations;
4. build and revise simple Excel spreadsheets.

III. Course Exit Standards

Upon successful completion of the required coursework, the student will be able to:

1. Have a common body of knowledge, terms, tools and philosophies utilized in the administration and management of financial resources and budgeting.
2. Understand how fiscal management and budgeting decisions are made, who influences these decisions, and how to evaluate decisions between alternatives.
3. Understand the key issues underlying the administration and management of financial resources.
4. Utilize analysis tool like discounting, bond valuation, and equity valuation for informed decision-making.
5. Use ratio analysis to measure the fiscal soundness of an organization.
6. Develop a professional awareness of contemporary business affairs related to financial management and budgeting.

IV. Course Content**Total Contact Hours = 48**

A. Financial Statement Analysis	8 hours
1. Uses	
2. Liquidity Analysis	
3. Profitability Analysis	
4. Managerial Analysis	
5. Methods of Evaluation	
B. The Time Value of Money	12 hours
1. Future value and compounding	
2. Present value and discounting	
3. Annuities and perpetuities	
4. Effective annual rates and compounding	
5. Types of loans	
C. Valuing Stocks and Bonds	12 hours
1. Bonds and bond valuation	
2. Types of bonds, ratings, bond markets	
3. Inflation and interest rates	
4. Term structure of interest rates	
5. Common and preferred stock valuation ratios	
6. The stock markets	
D. Capital Budgeting	10 hours
1. Net Present Value	
2. The Payback Rule	
3. Internal Rate of Return	
4. Calculating returns	
5. Historical returns, Benchmarking	
6. Capital market efficiency	
E. Special Topics	6 hours
1. Raising Capital: from early-stage to IPO	
2. Current capital market performance	
3. International finance	

V. Methods of Presentation

The following instructional methodologies may be used in the course:

1. lecture/demonstration;
2. hands-on activities;
3. multimedia;
4. online.

VI. Assignments and Methods of Evaluation

1. Weekly homework assignments.
2. Weekly quizzes.
3. Midterm examinations.
4. Final examination.

VII. Textbooks

Ross/Westerfield/Jordan, Essentials of Corporate Finance, 7th Edition
McGraw-Hill Irwin, 2010
ISBN# 978-0-07-338246-3

VIII. Student Learning Outcomes

Upon successful completion, the student will be able to:

1. understand and apply Time Value of Money concepts to personal and business financial situations.
2. explain and calculate the implications of financing with an annual percentage rate and an effective annual rate.
3. determine the required interest rate to reflect an investment's risk and its subsequent payment.
4. apply the present value and future value computations appropriately.