

# BUS 225 Business Finance

## COURSE DESCRIPTION:

Prerequisites: ACC 120, MAT143, or MAT152

Corequisites: None

Course description. This course provides an overview of business financial management. Emphasis

1. Acquire and exhibit an understanding of finance and the role that finance plays within an organization.
2. Acquire and exhibit an understanding of the different types of markets, institutions and individuals that are involved in the financial environment.
3. Acquire and exhibit an understanding of the financial statements and their use.
4. Acquire and exhibit an understanding of how to identify and analyze valuable financial information such as the market value of securities.
5. Acquire and exhibit an understanding of the sources of funds that are available for financial gain such as bonds and stocks.

## OUTLINE OF INSTRUCTION:

- I. The Role of Managerial Finance
  - A. Finance & managerial finance defined
  - B. The function of managerial finance
  - C.

- IV. Financial Statements & Ratios
  - A. The Four Key Financial Statements
    - i. Income Statement
    - ii. Balance Sheet
    - iii. Statement of Stockholder's Equity
    - iv. Statement of Cash Flows
  - B. Financial Ratios
    - i. Liquidity
    - ii. Activity
    - iii. Debt
    - iv. Profitability
    - v. Market
  
- V. Time Value of Money
  - A. The role of future value in finance
  - B. The role of present value in finance
  
- VI. Interest Rates & Bond Valuation
  - A. The fundamental of interest rates
    - i. Interest Rates
    - ii. Required Return
    - iii. Inflation
  - B. Fundamentals of bonds
    - i. Types of corporate bonds
    - ii. Bond features
    - iii. Bond ratings & valuations
  
- VII. Stock Valuation
  - A. Debt vs. equity financing
  - B. Common stock vs. preferred stock

**REQUIRED TEXTBOOK AND MATERIAL:**

The textbook: Fundamentals of Financial Management, 16th Edition, Brigham and Houston, and Cengage software.