

NOVA COLLEGE-WIDE COURSE CONTENT SUMMARY FIN 260 - FINANCIAL MANAGEMENT FOR SMALL BUSINESS (2 CR.)

Course Description

Provides the tools of financial planning for the small business owner. Includes areas such as financial statements, ratio analysis, forecasting profit, cash flow, pricing, and obtaining capital. Lecture 2 hours per week.

General Course Purpose

This course is designed as a one-semester course on the financial management function in small businesses. The purpose of the course is to familiarize the student with basic decisions that financial managers need to make. It is a required course for the student in the Entrepreneurship program. It may be chosen as business elective in other programs.

Course Prerequisites/Corequisites

ACC 220 or ACC 211 and BUS 165. A working knowledge of basic arithmetic, average skills in reading comprehension, and the ability to visualize and understand the basic operations of individual business activities in a free enterprise economic system.

Course Objectives

Upon completion of the course, the student should be able to:

- Assess the role and place of the finance functions in the business organization.
- Describe the objectives of financial management in the business organization.
- Evaluate the financial condition and financial performance of a firm by computing and interpreting key financial ratios derived from the firm's financial statement.
- Interpret the tradeoffs between basic risks and expected returns.
- Appraise the concepts of operating leverage, financial leverage, and combined leverage.
- Calculate the degree of operating leverage, financial leverage, and combined leverage.
- Learn the interrelationships between a firm's sales and costs of various output levels by using breakeven analysis techniques.
- Calculate basic interest to solve problems and understand the importance of uneven cash flows.
- Use the Internet in order to obtain financial information about business firms, specific industries, and securities markets.
- Become familiar with income tax concerns for small business.
- Compute international exchange rates and the implications for small business.

Major Topics to Be Covered

- a. The finance function and the goals of financial management
- b. Financial ratio analysis (Excel)
- c. Understanding Financial Statements
- d. Analysis of risk and return (Excel)
- e. Operating leverage, financial leverage, combined leverage
- f. Break even analysis (Excel)
- g. Financial planning
- h. Financial forecasting

- i. Cash budgets
- j. Working Capital Management
- k. Cash management
- l. marketable securities
- m. accounts receivable management
- n. inventory management
- o. Compound value
- p. Capital budgeting
- q. Income taxes for small business
- r. Calculate Investment Payback
- s. Class discussion of the sources of long-term funds (What are?)
- t. bonds
- u. preferred stock
- v. common stock
- w. security markets
- x. leasing
- y. International currency exchange