BA 222 Business Finance Outcomes

In addition to demonstrating an understanding of the business terms described in your text and presented during the course, you will practice and develop the following skills that are critical to success in business:

- Logical thinking and decision making
- Self-management
- Effective communication
- Analytical skills
- Team building and partnering/alliance building

After successful completion of this course, each student will be able to:

1. Describe the role of business finance and the opportunities available in this field.

2. Calculate and use financial ratios to analyze a firm’s financial statements, focusing on a firm’s liquidity, debt/leverage, activity, and profitability.

3. Understand the importance of a firm’s cash flow in the financial planning process, which includes long-term (strategic) financial plans and short-term (operating) financial plans.

4. Understand net working capital management and the related tradeoff between profitability and risk.

5. Demonstrate the concept of time value of money by calculating future value and present value for single amounts and cash flows.

6. Assess and measure the risk and return of a single asset and a portfolio.

7. Differentiate between debt and equity capital and calculate stock and bond values.

8. Define basic capital budgeting terminology and the steps in the capital budgeting process.

9. Apply net present value (NPV) and internal rate of return (IRR) to relevant cash flows to choose acceptable capital expenditures.

10. Understand and calculate a firm’s cost of capital (WACC).