## MOHAWK VALLEY COMMUNITY COLLEGE

**UTICA AND ROME, NEW YORK**

**COURSE OUTLINE**

**AC 230 Financial Management C-3, P-0, CR-3**

# **COURSE DESCRIPTION:**

This course develops the role of the finance function and financial decision-making as it relates to the entire business organization. It stresses the financial planning of the requirements for funds, the effective acquisition of these funds (from internal sources and from capital markets), and the control of the use of these funds within the business.

Prerequisite: AC116 Managerial Accounting

# **STUDENT LEARNING OUTCOMES:**

# Upon completion of this course the student is expected to be able to:

1. Demonstrate understanding of the managerial finance function and its relationship to economics, accounting, financial institutions and markets.
2. Perform financial ratios analysis of a firm’s profitability and value.
3. Produce financial reports, including long-term (strategic) financial plans and short-term (operational) financial plans.
4. Evaluate the pro forma income statements and balance sheets.
5. Demonstrate an understanding of risk and return, their measurement and impact on decision making and value of the firm.
6. Assess the key motives of capital expenditures, relevant cash inflows and expected returns.
7. Predict the cost of long-term debt and capital financing, weighted average cost of capital and the methods used to evaluate investment opportunities.
8. Demonstrate an understanding of leverage, capital structure and the effects of changes in the relationship that effect valuation of the firm.
9. Evaluate spontaneous sources of funds, the effects of credit on sales and accounts receivable management, accounts payable and short-term borrowing.
10. Explain the types and major causes of business failures, mergers and divestitures.
11. Demonstrate understanding of the factors that influence financial operations of domestic and multinational companies from foreign investments, international debt and equity.

# **MAJOR TOPICS:**

1. Financial statement analysis
2. Cash flow and financial planning
3. Time value of money
4. Capital budgeting techniques
5. The cost of capital
6. Leverage and capital structure
7. Working capital and asset management
8. Current liabilities
9. Mergers, acquisitions and business failure
10. International finance

**Revised 10/19**