



BMGT 2700

Division: Business and Technology

Department: Business Management

Course: BMGT 2700

Title: Principles of Finance

Catalog Description:

This course is a basic introduction to finance course including the time value of money, financial statement analysis and exploration of investments. Special attention will be given to the use of financial ratios, pro-forma financial statements, working capital and capital budgeting. Students will be exposed to the basics of investing in the stock market.

General Education Requirements: N/A

Semesters Offered: Spring

Credit/Time Requirement: Credit: 3; Lecture: 3; Lab: 0

Clock/Hour Requirements: 0

Offered for Non-Credit: Yes

Prerequisites: BMGT 1060 or ACCT 2010 or instructor approval

Corequisites: N/A

Justification:

This is a required applied technology core course for BMGT Associate of Applied Science majors. This course may also transfer to various four year institutions upon successfully completing an examination given by the transferring institution or department approval. It also serves several other Applied Technology programs such as Business Education. The most common reason given for small business failure is inability to manage. This course is designed to give business students the financial fundamentals needed to successfully manage the financial side of a small business.

Student Learning Outcomes:

Upon successful completion of this course, students will:

- know the importance of finance in the successful operation of a business
- know basic economic concepts of finance including:
 - scarce resources
 - opportunity costs
 - Federal Reserve policy
 - risk
- know the basic management functions of planning, organizing, leading, and controlling as they relate to finance
- know the basic forms of business ownership
- know the basic financial statements including:

- cash flow statement
- income statement
- balance sheet
- know how to analyze a financial statement using:
 - vertical analysis
 - horizontal analysis
 - ratio analysis
 - liquidity
 - activity
 - leverage
 - profitability
 - market
- complete a break even analysis and understand profitability and associated measures
- know how to forecast sales using several techniques including:
 - times series
 - moving average
 - weighted moving average
 - exponential smoothing
 - regression analysis
- know how to construct pro-forma financial statements and estimate needed financing
- know the importance of working capital and how to manage current assets to improve the working capital position
- know and understand the time value of money including future and present value of single amounts, and various types of annuities
- know to how to use the following capital budgeting techniques:
 - net present value
 - payback period
 - internal rate of return
 - profitability index
 - accounting rate of return
- know how to identify and select good equity investments using the Morningstar online investment course.

Content:

Course objectives will be accomplished by providing students with learning experiences in the following areas:

- Financial and Economic Concepts
- Financial Management and Planning
- Financial Statements
- Analysis of Financial Statements
- Profit, Profitability, and Break Even Analysis
- Forecasting and Pro Forma Financial Statements
- Working Capital Management
- Time Value of Money
- Capital Budgeting
- Morningstar Online Investment courses 100 - 400 Level.

General Education Outcomes:

6) Apply computational skills to a variety of contexts.

Students will be expected to perform a number of calculations used in financial management including but not limited to: ratio analysis, break even analysis, payoff tables, regression analysis, time series analysis, financial statement analysis, and the time value of money.

7) Apply scientific reasoning to a variety of contexts.

Students will use a variety of scientific reasoning strategies to evaluate the successful operation of a business; much of this reasoning is based on mathematical formulas.

Key Performance Indicators:

In Class: Student grades will be based on a combination of:

- tests: 40%
- reading quizzes: 10%
- exercises: 20%
- application projects: 30%
- success in DEX and PBL competitions will also be used to assess student learning.

Percentages are approximate.

Following Class:

- Post evaluation will be measured by success in subsequent courses that require mastery of the concepts in this course.

Representative Text and/or Supplies:

- Pearson Prince, *Entrepreneurial Finance, Finance for Small Business*, current edition, Upper Saddle River, New Jersey.

Optimum Class Size: 16

Maximum Class Size: 16

Signatures:

I hereby submit this course syllabus:

Russ Johnson, MIM, Assistant Professor

I hereby find this course consistent with the goals and resources of the Business Management Department:

Russ Johnson, MIM, Assistant Professor, Chair

I hereby find this course consistent with the goals and resources of the Business and Technology Division:

Doug Dyreng, MS, Associate Professor, Dean

I have discussed the need for library resources related to this class with the person submitting the syllabus:

Lynn Anderson, MLIS, Technical Services Librarian (Main Campus)

Michelle Olsen, MLS, Campus Librarian (Richfield Campus)