

# Section 1

## Unit 1

Introduction to Finance

- The Vocabulary of Finance
- The Four Basic Elements of Finance
- The Basic Financial Statements

## Unit 2

Introduction to Accounting

- Basic Terminology
- The Purpose of Accounting
- The Accounting Cycle
- Preparing Financial Statements

## Unit 3

Managing Liabilities

- Overview of Liabilities
- The Liabilities of a Business
- Short-Term Liabilities

- Long-Term Liabilities

## Unit 4

### Financial Planning

- Overview of Financial Planning
- The Importance of Financial Planning
- The Business Planning Process

# Section 2

## Unit 1

### Cash Flow Strategies

- Why cash is so important in business
- What are the cash-critical stages in business
- What internal sources of cash are possible
- What potential external sources of cash there are

## Unit 2

### Reporting and Evaluating Cash Flow

- Review of the Cash Flow Statement
- Review of Projected Cash Flow Report

- What the Cash Cycle communicates
- What improvements can be made to shorten the cash cycle
- Calculating cash cycle

## Unit 3

### Projecting Cash Needs

- How much cash the business needs
- When cash injections are needed
- Which cash needs will internal sources be able to cover
- Which cash needs must be met through external sources
- Making comparisons with other businesses in the same industry

## Unit 4

### Funding Requests

- What debt sources of cash are possible
- What are the potential equity sources of cash
- What requirements different funding sources have
- Making a pitch to investors
- Approaching potential lenders for financing

# Section 3

## Unit 1

Financial Strategies

### 1.1 Your Role in Financial Decision Making

Who is responsible for the financial decisions in your company?

The Goal of Business

### 1.2 Understand the Language of Finance

Accounting as a Language

Learn the Language

Visual Activity – Accounting Process

Accounting and Recordkeeping Systems

Self Check – Account Categories

### 1.3 Read the Story

A Word about Financial Concepts

\*\*\*Financial Concept: The Accounting Equation\*\*\*

\*\*\*Financial Concept: The Matching Principle\*\*\*

The Common Financial Statements

Income Statement

The Balance Sheet

Statement of Cash Flows

## 1.4 The Purpose of Financial Statements

# Unit 2

Financial Dashboard – Introduction to Financial Gauges

## 2.1 Understand Basic Financial Concepts

Introduction

The Story Statements Tell

\*\*\*Financial Concept: The Accounting Equation\*\*\*

\*\*\*Financial Concept: The Profit Matching Principle\*\*\*

\*\*\*Financial Concept: The Fund Matching Principle\*\*\*

\*\*\*Financial Concept: Cash Basis vs. Accrual Basis

Accounting Methods\*\*\*

\*\*\*Financial Concept: Cash vs. Profits\*\*\*

\*\*\*Financial Concept: Debt vs. Equity (Optimum Capital Structure)\*\*\*

## 2.2 Financial Strategies

Financial strategies stem from business goals

## Take a Look: Example Financial Strategies

### **2.3 Financial Gauges**

Introduction to Financial Gauges

Your Financial Gauges

Profitability-based gauges

Performance-based gauges

### **2.4 Reading Your Financial Gauges**

The Story Financial Gauges Tell

Research and Analysis

## **Unit 3**

Financial Gauges - Profitability

### **3.1 Profitability Gauges**

Ratio Analysis

Financial Gauge: Net Profit Margin (or) The Bottom Line

Financial Gauge: Gross Profit Margin

Financial Gauge: Operating Margin

Using Profitability Ratios

### **3.2 The Components of Profitability**

The Origin of Profits

Sales and Expenses

### **3.3 Sales**

Sales Strategies

Pricing Strategies

### **3.4 Cost of Goods Sold and Cost of Sales**

Cost of Goods Sold

Gross Profit Margin

Gross Profit Analysis and Planning

Evaluate Profitability of Product or Service Lines

### **3.5 Expenses**

Budget vs. Actual Analysis

Cost Management and Efficiency

## **Unit 4**

Financial Gauges - Performance

### **4.1 Making Money**

The Goal of Business

Value Growth

Company Resources

#### **4.2 Taking Advantage of Assets**

Tangible vs. Intangible Assets

Cash

#### **4.3 Making the Most of Liabilities and Equity**

Liabilities

Equity

#### **4.4 Performance Financial Gauges**

Financial Gauge: Current and Quick Ratio (Liquidity)

Financial Gauge: Return on Assets

Financial Gauge: Return on Equity

Financial Gauge: Debt to Equity Ratio

#### **4.5 Financial Analysis and Planning Summary**

Downtown Publishing Financial Performance Analysis

Summary

