

# North Hennepin Community College

## BUS 1410: Introduction to Business Finance

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: \*.\*

Lab Hours/Week: \*.\*

OJT Hours/Week: \*.\*

Prerequisites: None

Corequisites: None

MnTC Goals: None

This course is an introduction to the world of finance. Concepts covered include financial management, financial implications of different forms of business organization, understanding and analyzing financial statements and various ratios. Additional topics studied include security markets, interest rates, taxes, risk analysis, time value of money, and the basics of bonds and stocks valuation. Maximizing company value through capital budgeting and selection of appropriate capital structure also are considered. The subject of risk and return, how funds are acquired in the financial markets and how different investment criteria are used to evaluate potential investment opportunities are also examined. Recommended: An accounting course or relevant background.

**B. COURSE EFFECTIVE DATES:** 08/26/1997 - Present

### C. OUTLINE OF MAJOR CONTENT AREAS

1. The course focus is on the core concepts, techniques, and practices that are needed to make keen financial decisions. It is designed for people who want to start their own business or who want to analyze companies and investments by using proven financial concepts.
2. Core concepts include:
  - \* Opportunity cost
  - \* Working capital management
  - \* Basic time value methodology
  - \* The impact of inflation on interest rates
  - \* General valuation and integrated cash flow applications
  - \* Financial statement analysis
  - \* The conceptual relationship between the expected return and the relevant risk of individual assets and portfolios of assets
  - \* The important types of bonds and the determinants of bond yields
  - \* Computing stock prices using the dividend growth model
  - \* The traditional evaluation techniques of capital budgeting analysis in business and personal capital investment

#### **D. LEARNING OUTCOMES (General)**

1. Describe the basic concepts of finance as it relates to business NHCC ELO 1 (knowledge)
2. Determine the opportunity cost of making decisions NHCC ELO 2 (information literacy, quantitative literacy, and written and oral communication)
3. Identify those factors that affect interest rates NHCC ELO 1 (knowledge)
4. Demonstrate how financial statements are used by business NHCC ELO 2 (information literacy, quantitative literacy, and written communication) NHCC ELO 4 (applied learning)
5. Analyze the components of the basic accounting equation NHCC ELO 4 (applied learning)
6. Analyze the relationships that exist between the several categories of ratios in determining the health of a business NHCC ELO 2 (information literacy and quantitative literacy) NHCC ELO 4 (applied learning)
7. Calculate the future value and present value factors that are used to solve time value of many problems NHCC ELO 2 (information literacy and quantitative literacy)
8. Understand the purpose and need for capital budgeting and how companies make capital budget decisions NHCC ELO 1 (knowledge)
9. Apply knowledge gained to assess financial risks of both individual and business decisions NHCC ELO 2 (information literacy, quantitative literacy, and written communication) NHCC ELO 4 (applied learning)

#### **E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

None

#### **F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

#### **G. SPECIAL INFORMATION**

1. Knowledge of Human Cultures and the Physical and Natural World --Through study in the sciences, mathematics, social sciences, humanities, histories, languages, the arts, technology and professions.
2. Intellectual and Practical Skills - Including: Inquiry and analysis; Critical and creative thinking; Written and oral communication; Quantitative literacy; Information literacy; Teamwork and problem solving.
4. Integrative and Applied Learning - Including: Synthesis and advanced accomplishment across general education, liberal studies, specialized studies and activities in the broader campus community.