

Course Competency

FIN 2000 Principles of Finance

Course Description

The creation, allocation, and utilization of money, and the effect of monetary policy upon individuals, business, national and international economics. This course provides a basis for further study of monetary theory, banking, finance and securities.

| Course Competency | Learning Outcomes |
|---|---|
| <p>Competency 1:The student will be able to demonstrate knowledge of working capital management by:</p> | <ol style="list-style-type: none"> 1. Communication 2. Numbers / Data 3. Critical thinking |
| <ol style="list-style-type: none"> a. Explaining the need for working capital. b. Describing and evaluating the alternatives for financing working capital. c. Calculating a cash budget. d. Discussing and evaluating the management of accounts receivable and inventory. e. Describing the inventory decision model and computing the economic ordering quantity. f. Defining and evaluating trade credit and the various forms of bank credit and calculating the cost of each. | |
| <p>Competency 2:The student will be able to demonstrate knowledge of operating and financial leverage by:</p> | <ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking 3. Communication |
| <ol style="list-style-type: none"> a. Defining operating leverage and financial leverage and differentiating between them. b. Calculating the break even point for a firm. c. Computing the degree of operating and financial leverage for a firm. d. Computing the combined operating and financial leverage for a firm. e. Analyzing the impact of changes in the | |

| | |
|--|---|
| <p>use of leverage on the firm.</p> | |
| <p>Competency 3:The student will be able to demonstrate knowledge of the time value of money by:</p> | <ol style="list-style-type: none"> 1. Communication 2. Numbers / Data 3. Critical thinking |
| <ol style="list-style-type: none"> a. Determining the yield of an asset. b. Calculating the present and future value of a single amount and an annuity amount. c. Applying the tools of present and future values to a wide variety of real world situations. d. Calculating the valuation of bonds, perpetuities, and stocks. | |
| <p>Competency 4:The student will be able to demonstrate knowledge of capital budgeting by:</p> | <ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking 3. Computer / Technology Usage |
| <ol style="list-style-type: none"> a. Discussing and applying the methods of ranking the investment proposals in business situations. b. Calculating the payback, net present value and internal rate of return of investment projects. Using the above calculations to evaluate potential investment projects. c. Explaining and applying capital rationing in business situations and analyzing its impact on the firm. | |
| <p>Competency 5:The student will be able to demonstrate knowledge of the structure and operation of capital markets by:</p> | <ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking 3. Computer / Technology Usage |
| <ol style="list-style-type: none"> a. Discussing the organization and regulation of the security markets. b. Explaining market efficiency. c. Identifying the advantages and disadvantages of debt. d. Discussing the debt contract. e. Explaining bond prices, yields, and ratings. | |

| | |
|---|---|
| <p>Competency 6:The student will be able to demonstrate knowledge of investment banking, public and private placement by:</p> | <ol style="list-style-type: none"> 1. Communication 2. Numbers / Data 3. Critical thinking |
| <ol style="list-style-type: none"> a. Discussing the role of investment banking and identifying the functions of an investment banker. b. Explaining and applying the pricing and profitability of securities in business situations. c. Explaining the difference between public and private financing. | |

Updated: SPRING 2024