



Course Name: Principles of Finance

Course Number: BFN* 201

Credits: 3

Catalog description: A study of the fundamental principles and concepts of finance. Topics include the basic concepts of financial statement analysis, time value of money, risk and return, valuation of corporate bonds and common stock, cost of capital, capital budgeting, short term financing, cash budgeting and a brief introduction to financial markets.

Prerequisite, Corequisite, or Parallel: ENG*101 and Grade of “C” or higher
in ACC*113, or permission of Instructor

General Education Competencies Satisfied:

HCC General Education Requirement Designated Competency Attribute Code(s):
None

Additional CSCU General Education Requirements for CSCU Transfer Degree Programs:
None

Embedded Competency(ies):
None

Discipline-Specific Attribute Code(s):

BUS Business elective

Course objectives:

General Education Goals and Outcomes:

None

Course Specific Objectives:

1. Describe the role of finance and the role of the financial manager in the firm
2. Use a corporate tax table to calculate a firm’s liability
3. Given appropriate information, calculate financial ratios and use financial ratios to evaluate the financial condition of a business.
4. Identify and describe sources of short term and long term financing
5. Explain the concept of financial leverage.
6. Discuss the purposes of a cash budget and solve cash budget preparation problems
7. Solve time value of money problems and use present value to calculate the market value of a Corporate Bond
8. Identify the components of a firm’s capital structure and calculate the “cost” associated with each component as well as a firm’s “weighted average cost of capital”



9. Describe the various types of capital projects, and use three capital budgeting decision techniques (payback period, net present value and internal rate of return)

Course Content:

Part 1. INTRODUCTION TO MANAGERIAL FINANCE

1. The Role of Managerial Finance
2. The Financial Market Environment

Part 2. FINANCIAL TOOLS

3. Financial Statements and Ratio Analysis
4. Cash Flow and Financial Planning
5. Time Value of Money

Part 3. VALUATION OF SECURITIES

6. Interest Rates and Bond Valuation
7. Stock Valuation

Part 4. RISK AND THE REQUIRED RATE OF RETURN

8. Risk and Return
9. The Cost of Capital

Part 5. LONG-TERM INVESTMENT DECISIONS

10. Capital Budgeting Techniques
11. Capital Budgeting Cash Flows
12. Risk and Refinements in Capital Budgeting

Part 6. LONG-TERM FINANCIAL DECISIONS

13. Leverage and Capital Structure
14. Payout Policy

Part 7. SHORT-TERM FINANCIAL DECISIONS

15. Working Capital and Current Assets Management
16. Current Liabilities Management

Part 8. SPECIAL TOPICS IN MANAGERIAL FINANCE

17. Hybrid and Derivative Securities
18. Mergers, LBOs, Divestitures, and Business Failure
19. International Managerial Finance

Date Course Created:

Date of Last Revision: 04/03/2017