

SYLLABUS
PART I
EDISON COMMUNITY COLLEGE
BUS 229S BUSINESS FINANCE
3 CREDIT HOURS

COURSE DESCRIPTION

Financial management of business enterprises with emphasis on financial analysis, working with capital management, short and long term financing, capital budgeting, cost of capital, and dividend policy.
Prerequisite: ACC 122S and MTH 119S. Lab fee.

COURSE GOALS

The student will:

Bloom's Level		Program Outcomes
3	1. Use present value methods to make capital budget decision.	7,8
1	a. Learn present value concepts.	8
3	b. Apply present value concepts to simple budget decisions.	8
1,3	2. Learn and use terms used in the world of finance.	7,8
5,1	3. Develop knowledge of bonds, stocks, rights, warrants, and retained earnings used to build and expand a business.	6
3	4. Apply concepts of present value to select best way to finance business growth.	8
5,1	5. Develop a knowledge of the capital market.	6
1	a. Role of investment banker.	6,8
4,1	b. How governments regulate sale of securities.	9
5	c. When to use various securities and how to make them marketable.	8
5	6. Deal with operating and financial leverage.	8
3	7. Define working capital, both seasonal and permanent.	8

CORE VALUES

The Core Values are a set of principles which guide in creating educational programs and environments at Edison. They include communication, ethics, critical thinking, human diversity, inquiry/respect for learning, and interpersonal skills/teamwork. The goals, objectives, and activities in this course will introduce/reinforce these Core Values whenever appropriate.

TOPIC OUTLINE

1. Capital Budgeting
 - a. Net present value
 - b. Payback period
 - c. Adjusted rate of return
 - d. Unadjusted rate of return
2. Capital Budgeting: Rankings and Taxes
 - a. Depreciation as a tax shield
 - b. Net cash benefits

3. Capital Structures and Financial Leverage
 - a. Basic components of capital structure
 - b. Analysis of financial leverage
 - c. Measures of financial leverage
 - d. Factors influencing capital structure
4. Cost of Capital
 - a. Cost of debt
 - b. Cost of preferred
 - c. Cost of common
 - d. Selecting among a, b, and c
5. Dividend Policy and Internal Financing
 - a. Retained earnings
 - b. Nature of dividends
 - c. Factors influencing dividends
 - d. Actual practice of dividend policies
6. The Capital Market
 - a. What is a capital market?
 - b. The investment banker
 - c. Issuing new securities
 - d. Government regulation of new securities
 - e. Government regulation of outstanding securities
7. Intermediate-Term and Long-Term Securities
 - a. Nature of types of intermediate-term and long-term securities
 - b. Combination loans, sinking funds
 - c. Retiring debt
 - d. Leasing as an alternative to debt
8. Equity Financing
 - a. Common stock
 - b. Preferred stock
 - c. Stock subscriptions and rights offerings
 - d. Warrants
 - e. Convertible securities