

Western Technical College

10102126 Business Financials

Course Outcome Summary

Course Information

Description	Students will explore how businesses build their “bottom line”. In the pursuit of profitability, students will learn to maximize the financial resources of the organization. This will be accomplished by evaluating financial statements, budgets, sales forecast, and other financial metrics.
Career Cluster	Business Management and Administration
Instructional Level	Associate Degree Courses
Total Credits	3
Total Hours	54

Textbooks

Accounting Game: Basic Accounting Fresh from the Lemonade Stand. 2nd Edition. Copyright 2008. Mullis, Darrell and Judith Orloff. Publisher: Sourcebooks, Inc. **ISBN-13**:978-1-4022-1186-7. Required.

Success Abilities

1. Cultivate Passion: Expand a Growth-Mindset
2. Refine Professionalism: Act Ethically
3. Refine Professionalism: Improve Critical Thinking
4. Refine Professionalism: Practice Effective Communication

Program Outcomes

1. Organize resources to achieve the goals of an organization.
2. Control business processes.

Course Competencies

1. **Examine accounting basics.**
Assessment Strategies
1.1. Written product or project
Criteria

You will know you are successful when

- 1.1. you apply accounting terminology.
- 1.2. you apply the accounting equation through transactions.
- 1.3. you identify at least three examples of COGS for different types of businesses.

Learning Objectives

- 1.a. Identify key terminology.
- 1.b. Explore the accounting equation.
- 1.c. Explore COGS (cost of goods sold).

2. Investigate the components of financial statements.

Assessment Strategies

- 2.1. Written Product

Criteria

You will know you are successful when

- 2.1. you explain financial statements.
- 2.2. you identify financial statements relevant to business.
- 2.3. you complete a balance sheet.
- 2.4. you complete an income statement.
- 2.5. you complete a cash flow statement.
- 2.6. you explain the interrelationship between relevant financial statements.

Learning Objectives

- 2.a. Explore components of a balance sheet: assets, liabilities, and owner's equity.
- 2.b. Explore components of an income statement: sales, cost of good sold (COGS), general expenses, income tax, and other income.
- 2.c. Explore components of a cash flow statement: operating, investing, and financing activities.
- 2.d. Identify the interrelationship between the following financial statements: balance sheet, income statement, and statement of cash flows.

3. Calculate financial ratios.

Assessment Strategies

- 3.1. Written Product

Criteria

You will know you are successful when

- 3.1. you calculate current ratio for a business.
- 3.2. you calculate the quick ratio for a business.
- 3.3. you calculate inventory turnover ratio for a business.
- 3.4. you calculate debt-to-equity ratio for a business.
- 3.5. you calculate the return on investment ratio for a business.
- 3.6. you summarize why each ratio is important to use for success of business.

Learning Objectives

- 3.a. Examine which ratios come from the income statement.
- 3.b. Examine which ratios come from the balance sheet.
- 3.c. Explore how these ratios are used in business.
- 3.d. Practice different ratio calculations for businesses.

4. Explore the budgeting process.

Assessment Strategies

- 4.1. Project

Criteria

You will know you are successful when

- 4.1. you explain why a budget is needed for a business.
- 4.2. you explain how actual company performance compares to forecasted performance.
- 4.3. you identify income sources for a budget.

- 4.4. you list costs that will impact the budget (fixed, variable, and one-time costs).
- 4.5. you prepare document that compare budget to actual costs.
- 4.6. you use budgeting process to prepare a personal budget for school year.

Learning Objectives

- 4.a. Identify objectives of budgeting.
- 4.b. Explore various budgets and their interrelationships.
- 4.c. Compare budget to actual and determine impact.
- 4.d. Describe the components of a budget and their purposes.
- 4.e. Create a personal budget.

5. Identify business costs.

Assessment Strategies

- 5.1. Project

Criteria

You will know you are successful when

- 5.1. you list variable costs of a business.
- 5.2. you list fixed costs of a business.
- 5.3. you define mixed costs and list how they affect the business.
- 5.4. you summarize the impact fixed and variable costs have on the business bottom line.
- 5.5. you calculate variable, fixed, mixed and total costs for business.

Learning Objectives

- 5.a. Define and classify costs as variable, fixed and mixed costs
- 5.b. Describe the different cost behaviors as related to activity level
- 5.c. Calculate variable, fixed, mixed and total costs

6. Describe cost-volume profit analysis.

Assessment Strategies

- 6.1. Written Product

Criteria

You will know you are successful when

- 6.1. you discuss the sales price per unit.
- 6.2. you calculate how many units you need to sell to break-even.
- 6.3. you discuss the number of units you need to sell to make a profit.
- 6.4. you define what a break-even point is for a business.

Learning Objectives

- 6.a. Compute break-even point in units and sales
- 6.b. Calculate target profit
- 6.c. Compute break-even for company selling more than one product

7. Explore the effect of risk on profits.

Assessment Strategies

- 7.1. Scenario Response

Criteria

You will know you are successful when

- 7.1. you summarize how risk has an impact on business.
- 7.2. you explain the potential impact of risk and profitability on long term financial goals.
- 7.3. you use ratio analysis to point you to areas of concern.
- 7.4. you complete ratios looking for changes that will affect profitability.

Learning Objectives

- 7.a. Define risks for businesses.
- 7.b. Examine different methods for financial statement analysis.
- 7.c. Introduce the use of ratios used to determine profitability.
- 7.d. Introduce the use of ratios to analyze risk.

7.e. Explore the use of debt versus equity financing and risk involved with each.

8. Explore sales forecasting.

Assessment Strategies

8.1. Product

Criteria

You will know you are successful when

- 8.1. you define what a sales forecast is and how that is used for forecasting.
- 8.2. you explain how forecast affects final budget for business.
- 8.3. you prepare a forecast for a business using current financial statements.
- 8.4. you discuss how forecasts affect the preparation of a budget.
- 8.5. you compare what the forecast looks like for a new business versus an established business.

Learning Objectives

- 8.a. Define forecasting.
- 8.b. Identify how the forecast is incorporated into the final budget.
- 8.c. Identify the need to do a sales forecast.
- 8.d. Determine sales forecasting between a new business and an established business.