

Western Technical College

## 10102203 Business - Operational Finances

### Course Outcome Summary

#### Course Information

<b>Description</b>	Students consider budgeting, cash flow, cost of goods, overhead, and income projections in relation to operations.
<b>Career Cluster</b>	Business Management and Administration
<b>Instructional Level</b>	Technical Diploma Courses
<b>Total Credits</b>	1
<b>Total Hours</b>	18

#### Textbooks

No textbook required.

#### Course Competencies

##### 1. Identify the components of a financial statement.

###### Assessment Strategies

- 1.1. Demonstration

###### Criteria

*You will know you are successful when*

- 1.1. you complete an income statement.
- 1.2. you complete a balance sheet.
- 1.3. you complete a cash flow statement.
- 1.4. you calculate out what tax liabilities you will have.
- 1.5. you practice keeping books for case company.

###### Learning Objectives

- 1.a. Compare the financial statements.
- 1.b. Explain the inter-relationship among the four financial statements.

##### 2. Evaluate potential risk and profitability.

###### Assessment Strategies

- 2.1. Product (drawing, demonstration, completed worksheets, written report etc.)

###### Criteria

*You will know you are successful when*

- 2.1. you review a variety of financial statements.
- 2.2. you identify ratios necessary to interpret whether your business is at risk.

- 2.3. you perform two types of ratio analysis.
- 2.4. you interpret meaning from the ratio analysis.
- 2.5. you analyze the risk to detect if there are any underlying credit risks to a business.
- 2.6. you analyze profitability to determine amount of return on capital.
- 2.7. you use the information from the ratio analysis to determine the risk and profitability.

**Learning Objectives**

- 2.a. Explore different methods for financial statement analysis.
- 2.b. Determine which ratios are used to determine profitability.
- 2.c. Determine which ratios are used to analyze risk.
- 2.d. Explain what this means for a small business.

**3. Outline budget for proposed business.**

**Assessment Strategies**

- 3.1. Performance

**Criteria**

*You will know you are successful when*

- 3.1. you list key components of budgeting process.
- 3.2. you indicate recurring incomes and expenses.
- 3.3. you list an example of a capital budget expenditure.
- 3.4. you project recurring incomes and expenses based on financial history.
- 3.5. you project recurring incomes and expenses based on new information and microeconomic factors.
- 3.6. you project recurring incomes and expenses based on macroeconomic factors.
- 3.7. you show how your budget sheet relates to your cash flow statement.
- 3.8. you show how your budget sheet relates to your income statement.
- 3.9. you show how your budget sheet relates to your balance sheet.

**Learning Objectives**

- 3.a. Describe the components of a budget and their purposes.
- 3.b. Discuss the sources of recurring income and expenses.
- 3.c. Identify factors in the operating and capital budgeting process.