

# Accounting and Finance for Managers and Entrepreneurs

## Course Description

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This course covers what everything business people and managers need to know about accounting and finance. It is directed toward the businessperson who must have financial and accounting knowledge but has not had formal training in finance or accounting—perhaps a newly promoted middle manager or a marketing manager of a small company who must know some basic finance concepts. The entrepreneur or sole proprietor also needs this knowledge; he or she may have brilliant product ideas, but not the slightest idea about financing. The goal of the course is to provide a working knowledge of the fundamentals of finance and accounting that can be applied, regardless of the firm size, in the real world. It gives nonfinancial managers the understanding they need to function effectively with their colleagues in finance.

**Completion Deadline & Exam:** This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

**Course Level:** Overview. This program is appropriate for professionals at all organizational levels.

**CPE Credits:** 16 (CPA)

**Category:** Accounting

**Prerequisite:** Basic Accounting

**Advanced Preparation:** None

## Course Learning Objectives

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### Chapter 1    Essentials of Accounting and Finance

After studying this chapter, you will be able to:

1. Identify the non-financial manager's concern with financial planning
2. List characteristics of capital investment.
3. Recognize the responsibilities of financial managers.
4. Distinguish between different business entities.

## **Chapter 2    Types of cost data and cost analysis**

After studying this chapter, you will be able to:

1. Identify the importance of cost data.
2. Understand and define different types of costs.
3. Recognize costs and their allocation.

## **Chapter 3:    Contribution Analysis**

After studying this chapter, you will be able to:

1. Recognize financial components critical to decision analysis.
2. Understand and define contribution margin.
3. Apply the contribution margin ratio.

## **Chapter 4:    Break-Even and Cost-Volume Profit Analysis**

After studying this chapter, you will be able to:

1. Recognize the relationships among costs, volume, and profit.
2. Identify the what and why of break-even sales.
3. Identify key financial ratio concept.
4. Define the importance of sales mix and sales margin ratio.

## **Chapter 5:    Relevant Cost and Making Short-Term Decisions**

After studying this chapter, you will be able to:

1. Identify relevant costs in manufacturing process.
2. Recognize components for making financial decisions.
3. Understand costs used in future business directions.

## **Chapter 6:    Forecasting Cash Needs and Budgeting**

After studying this chapter, you will be able to:

1. Identify importance and value of sales forecasts.
2. Recognize how sales forecasts and budgets affect other operational budgets.

## **Chapter 7:    Cost Control and Variance Analysis**

After studying this chapter, you will be able to:

1. Define variance analysis and its usefulness to financial analysis.

2. Determine when variance analysis should be applied.
3. Recognize the use of flexible budgets in performance reports.
4. Identify and list cost variances.
5. Clarify and classify variances in marketing, manufacturing and labor

## **Chapter 8: Managing Financial Assets**

After studying this chapter, you will be able to:

1. Define working capital.
2. Describe how to finance an asset.
3. Identify ways to improve cash management.
4. Recognize ways to accelerate cash receipts or delay cash payments.

## **Chapter 9: Managing Accounts Receivable and Credit**

After studying this chapter, you will be able to:

1. Recognize ways to improve rate of return with accounts receivable and credit.
2. Understand and analyze accounts receivable values.

## **Chapter 10: Managing Accounts Receivable and Credit**

After studying this chapter, you will be able to:

1. List inventory management considerations.
2. Understand and apply inventory analysis.
3. Identify ways to optimize the economic order quantity.

## **Chapter 11: Time Value of Money**

After studying this chapter, you will be able to:

1. Recognize future values and different loan types.
2. Apply the concept of time value of money.
3. Understand and identify capital rationing decisions.

## **Chapter 12: Capital Budgeting Decisions**

After studying this chapter, you will be able to:

1. Identify the types of capital budgeting decisions.
2. Recognize each of basic capital investment analysis techniques.
3. Understand the various types of depreciation methods.
4. Compute the ROI on an investment.

## **Chapter 13: Improving Managerial Performance**

After studying this chapter, you will be able to:

1. Recognize and apply the rate of return on investments (ROI).
2. Explain the basic components of the Du Pont formula used to improve profit.

## **Chapter 14: Evaluating and Improving Your Department's Performance**

After studying this chapter, you will be able to:

1. Define a responsibility center and list the types of responsibility centers.
2. Recognize the value of transfer pricing.

## **Chapter 15: Sources of Short-Term Financing**

After studying this chapter, you will be able to:

1. Identify sources of short-term financing.
2. Recognize the value and process of issuing commercial paper and other financing activities.

## **Chapter 16: Considering Term Loans and Leasing**

After studying this chapter, you will be able to:

1. Define the use of intermediate-term bank loans.
2. Understand the advantages of revolving credit.

## **Chapter 17: Long-Term Debt and Equity Financing**

After studying this chapter, you will be able to:

1. Define the process of investment banking.
2. Define the best use of venture capital financing.
3. Recognize examples of types of long-term debt and their usefulness.
4. Understand and give examples of equity securities.

## **Chapter 18: Interpreting Financial Statements**

After studying this chapter, you will be able to:

1. Recognize the different financial statements and their uses.
2. Identify the major components of the balance sheet.
3. Define the value of and the components of the cash flow statement.

## **Chapter 19: Accounting Conventions and Recording Financial Data**

After studying this chapter, you will be able to:

1. Define the double entry system and the accounting equation.
2. Apply transaction analysis to simple business transaction in terms of the accounting model:  $\text{Assets} = \text{Liabilities} + \text{Equity}$ .
3. List and explain the entries entered into the journal.
4. Recognize the use and application of ledgers.

## **Chapter 20: Assessing Financial Health and Fitness**

After studying this chapter, you will be able to:

1. Evaluate different financial ratios.
2. Demonstrate how to work with financial ratios.
3. Apply industry comparison ratios and trend analysis.