101 Financial Solutions:
Diagnosis and Remedy

Course Description

A manager's success depends largely on his or her ability to manage a company's assets. This mission is complicated by the interdependent nature of a company's finances. One short-term financial problem, such as a cash flow shortage, can cause a longer-term credit problem, such as denials for bank loans. The successful manager must be able to quickly identify and resolve such short-term problems in order to prevent their long-term deleterious effects. This course is intended for effective business managers and entrepreneurs. Covering every facet of the daily management of a business's finances, it is designed to help managers pinpoint, remedy, and prevent business and financial problems. In each case, it also points out potential ripple effects—the ways in which a problem in one sector can disrupt operations in other areas.

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: 11 (CPA)
Category: Management
Prerequisite: None
Advanced Preparation: None

Course Learning Objectives

Chapter 1: Pricing, Sales, and Advertising Miss Margins

After studying this chapter, you will be able to:

1. Recognize signs in the concept of revenue base erosion.
2. Identify irrelevant cost factors when evaluation special orders.
3. Identify causes of a high level of merchandise returns that can affect business profits.

Chapter 2: Inventory and Production Shortfalls

After studying this chapter, you will be able to:

1. Identify the causes of low turnover of merchandise.
2. Recognize trade-offs between excessive inventory ordering and carrying costs.
3. Identify order costs and carrying costs associated with inventory management.
4. Recognize how the economic order quantity (EOQ) applies to inventory management.
5. Identify technologies used to improve inventory tracking and management.
6. Recognize reasons that create a lack of inventory storage space.

Chapter 3: Profits Targets Are Off

After studying this chapter, you will be able to:

1. Recognize concepts used in the analysis of profitability.
2. Recognize ways to reduce the break-even point, and limitations of break-even analysis.
3. Recognize how to apply cost-volume-profit analysis.
4. Identify the problems of a weak sales mix and the causes of falling sales or profits.

Chapter 4: Risk Return Unbalance

After studying this chapter, you will be able to:

1. Recognize the risk-return trade-off.
2. Recognize components of interest rate risk.
3. Identify factors relating to a lack of diversification and increased risk.
4. Recognize signs of existing or potential financial problems.

Chapter 5: Inability to Finance Weakens Business Development

After studying this chapter, you will be able to:

1. Recognize influences that can adversely affect the market price of a stock.
2. Identify the objectives of debt rating services and some bond terminology.
3. Recognize characteristics of evaluating stock prices.

Chapter 6: Business Control Threatened

After studying this chapter, you will be able to:

1. Identify the conditions when bankruptcy looms.
2. Recognize steps management can take to avoid business failure.
3. Recognize uses of the Altman Z-Score for spotting risky companies.

4. Identify measures that a company can take to avoid a takeover threat.

Chapter 7: Cash Flow Disturbances

After studying this chapter, you will be able to:

1. Recognize common ratios used by companies to help manage cash positions.
2. Identify ways to improve cash flow and return on surplus funds.
3. Identify early warning signs of a company going broke.

Chapter 8: Mess in Accounts Payable and Receivable

After studying this chapter, you will be able to:

1. Identify ways to minimize the impact of vendor's price increases.
2. Calculate the advantage of accepting vendor terms and discounts.
3. Recognize the reasons for poor credit ratings.
4. Identify methods to prevent check signing fraud and improper payments.

Chapter 9: Lackluster Financial Statements

After studying this chapter, you will be able to:

1. Recognize commonly used financial ratios that help spot liquidity problems.
2. Identify early warning signals for inadequate liquidity.
3. Recognize ways to improve return on investment and how return on equity is calculated.
4. Identify methods to identify a low rate of return and the signs for poor quality of earnings.

Chapter 10: Costs Out of Control

After studying this chapter, you will be able to:

1. Recognize how to determine the stability/instability in product revenue over time.
2. Identify the causes for excessive labor costs.
3. Recognize the concept associated with operating leverage.
4. Recognize the applications of activity-based costing.
5. Understand how a profit-maximizing firm would adjust prices at different levels of demand.

Chapter 11: Budgeting and Cost Control Problems

After studying this chapter, you will be able to:

1. Identify how actual costs can exceed standard (budgeted) costs.
2. Recognize how to compute an efficiency variance.

Chapter 12: Fragile Internal Controls

After studying this chapter, you will be able to:

1. Recognize ways to spot record-keeping errors.

Chapter 13: Tax Planning Preparation

After studying this chapter, you will be able to:

1. Recognize the characteristics of different corporate structures used to affect tax planning and preparation.