

SOPHIA Learning

Fin1001: Principles of Finance

COURSE DESCRIPTION: This course is designed to introduce students to the fundamental principles of finance. Specifically, students will learn about the operating environment of the firm, financial statements, and financial ratios. Students will also learn about the time value of money, the characteristics of market instruments, the process of capital budgeting, and elements of working capital management.

Course Effective Dates: July 2020 - Present

Prerequisite(s): Entry level Gen Ed course – no prerequisites

Length of course: This is a self-paced course. Students have 60 days with an additional 30-day extension (if needed) to complete the course.

ACE CREDIT® Recommendation: In the lower-division baccalaureate/associate degree category, 3 semester hours in principles of finance (6/20).

LEARNING OUTCOMES

Upon completion of the course, the student will be able to:

1. Identify the fundamental components of finance and the importance of each in the financial environment.
2. Determine the key financial statements used in a business.
3. Recognize how financial statements are analyzed and influence financial decision making.
4. Analyze the role of financial forecasting in planning.
5. Apply the concepts of time value of money, present and future value, and how it influences financial decisions.
6. Identify the characteristics and valuation of bonds.
7. Recognize the characteristics and valuation of stocks.
8. Determine risk and return concepts related to financing and investment opportunities.
9. Recognize the key elements of the securities markets, and how the markets drive financial transactions, decision making, and risk analysis.
10. Examine the overall cost of capital for a firm.
11. Determine the factors that impact a firm's capital structure and how it affects the firm's cost of capital.
12. Evaluate the capital budgeting process, how project cash flow is determined and valued, and how project risk influences decision making.
13. Compare methods of long-term financing to pay for investments.
14. Identify the key components of working capital, how it impacts a firm's cash conversion process, and its ability to secure short-term financing.
15. Recognize types of dividend payments and factors that firms consider when making dividend policy decisions.

OUTLINE OF MAJOR CONTENT AREAS

- Goals of Financial Management
- Trends and Issues in Finance
- Types of Business Organizations
- Financial Markets
- Financial Statements
- Ratio Analysis
- Financial Forecasting
- Time Value of Money
- Future Value and Present Value of Single Cash Flows
- Annuities
- Valuing Multiple Cash Flows
- The Basics of Interest Rates
- Key Characteristics of Bonds
- Key Characteristics of Stock
- Expected Return
- Risk
- The Security Markets
- Market Efficiency and Regulation
- The Cost of Capital
- Capital Structure Considerations
- Capital Budgeting
- Types of Financing
- Working Capital
- Dividends and Dividend Policy

GRADING

This is a pass/fail course. Students are required to complete all 15 formative and 4 summative assessments with an overall course average of 70% or better.