

# **Accounting and Finance for Business Analysis**

## **Chapter 1:**

### **Essentials of Accounting and Finance**

#### **Learning Objectives**

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After studying this chapter, you will be able to:

- Identify the non-financial manager's concern with financial planning
- Recognize the responsibilities of financial managers.

Distinguish between different business entities.

## **Chapter 2:**

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

## Learning Objectives

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After studying this chapter, you will be able to:

- Identify the importance of cost data.

Define different types of costs and their allocation

# Chapter 3:

## Contribution Analysis

## Learning Objectives

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After studying this chapter, you will be able to:

- Recognize financial components critical to decision analysis.
- Identify the concept of contribution margin.
- Recognize the contribution margin ratio.

# Chapter 4:

## Break-Even and Cost-Volume-Profit Analysis

## Learning Objectives

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After studying this chapter, you will be able to:

- Recognize the relationships among costs, volume, and profit.
- Identify the computation used for break-even sales.
- Identify key financial ratio concepts.

# Chapter 5:

## Relevant Cost and Making Short-Term Decisions

### Learning Objectives

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After studying this chapter, you will be able to:

- Identify relevant costs in manufacturing process.
- Recognize components for making financial decisions.
- Identify costs used in future business directions.

# Chapter 6:

## Forecasting Cash Needs and Budgeting

### Learning Objectives

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After studying this chapter, you will be able to:

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

# Chapter 7:

## Cost Control and Variance Analysis

## Learning Objectives

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After studying this chapter, you will be able to:

- Identify variance analysis and its usefulness to financial analysis.
- Recognize when variance analysis should be applied.
- Identify cost variances.

# Chapter 8:

## Managing Financial Assets

## Learning Objectives

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After studying this chapter, you will be able to:

- Identify components of working capital.
- Recognize methods to finance an asset.
- Identify ways to improve cash management.
- Recognize ways to accelerate cash receipts or delay cash payments.

# Chapter 9:

## Managing Accounts Receivable and Credit

## Learning Objectives

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After studying this chapter, you will be able to:

- Recognize ways to improve rate of return with accounts receivable and credit.
- Identify and analyze accounts receivable values.

# Chapter 10:

## Managing Inventory

### Learning Objectives

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After studying this chapter, you will be able to:

- Recognize inventory management considerations.
- Identify ways to optimize the economic order quantity.

# Chapter 11:

## The Time Value of Money

### Learning Objectives

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After studying this chapter, you will be able to:

- Recognize future values and different loan types.
- Recognize the concept of time value of money.
- Identify capital rationing decisions.

# Chapter 12:

## Capital Budgeting Decisions

## Learning Objectives

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After studying this chapter, you will be able to:

- Recognize each of basic capital investment analysis techniques.
- Recognize the various types of depreciation methods.
- Compute the ROI on an investment.

# Chapter 13:

## Improving Managerial Performance

## Learning Objectives

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After studying this chapter, you will be able to:

- Recognize effects on the rate of return on investments (ROI).
- Identify the basic components of the Du Pont formula used to improve profit.

# Chapter 14:

## Evaluating and Improving Your Department's Performance

## Learning Objectives

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After studying this chapter, you will be able to:

- Recognize the types of responsibility centers.

- Recognize the value of transfer pricing.

# Chapter 15:

## Sources of Short-Term Financing

### Learning Objectives

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After studying this chapter, you will be able to:

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

# Chapter 16:

## Considering Term Loans and Leasing

### Learning Objectives

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After studying this chapter, you will be able to:

- Identify intermediate-term bank loans.
- Recognize the advantages of revolving credit.

# Chapter 17:

## Long-Term Debt and Equity Financing

## **Learning Objectives**

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After studying this chapter, you will be able to:

- Identify the process of investment banking.
- Recognize issues for venture capital financing.
- Recognize examples of types of long-term debt and their usefulness.
- Identify examples of equity securities.

# **Chapter 18:**

## **Interpreting Financial Statements**

## **Learning Objectives**

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After studying this chapter, you will be able to:

- Recognize the different financial statements and their uses.
- Identify the major components of the balance sheet.

# **Chapter 19:**

## **Accounting Conventions and Recording Financial Data**

## **Learning Objectives**

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After studying this chapter, you will be able to:

- Recognize the double entry system and the accounting equation.



- Recognize how to apply transaction analysis to simple business transaction in terms of the accounting model:  $\text{Assets} = \text{Liabilities} + \text{Equity}$ .
- Identify the entries entered into the journal.
- Recognize how certain transactions affect the balance sheet.

# Chapter 20:

## Assessing Financial Health and Fitness

### Learning Objectives

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After studying this chapter, you will be able to:

- Identify different financial ratios and how they are used.