**Course Description:**

Corporate Finance will explore how businesses manage policy and strategy for corporate budgeting, investment and financial planning. Learners will develop knowledge and skills in financial management, including risk management, compliance, reporting, auditing and cash and capital management.

**Strand 1. Business Operations/21st Century Skills**

Learners apply principles of economics, business management, marketing and employability in an entrepreneur, manager and employee role to the leadership, planning, developing and analyzing of business enterprises related to the career field.

**Outcome 1.1 Employability Skills**

Develop career awareness and employability skills (e.g., face‐to‐face, online) needed for gaining and maintaining employment in diverse business settings.

**Competencies**

1.1.2 Identify the scope of career opportunities and the requirements for education, training, certification, licensure and experience.

**Outcome 1.2 Leadership and Communications**

Process, maintain, evaluate and disseminate information in a business. Develop leadership and team building to promote collaboration.

**Competencies**

1.2.2 Deliver formal and informal presentations.

1.2.5 Communicate information (e.g., directions, ideas, vision, workplace expectations) for an intended audience and purpose.

1.2.7 Use problem-solving and consensus-building techniques to draw conclusions and determine next steps.

1.2.10 Use interpersonal skills to provide group leadership, promote collaboration, and work in a team.

1.2.12 Use technical writing skills to complete forms and create reports.

**Outcome 1.4 Knowledge Management and Information Technology**

Demonstrate current and emerging strategies and technologies used to collect, analyze, record and share information in business operations.

**Competencies**

1.4.2 Select and use software applications to locate, record, analyze and present information (e.g., word processing, e-mail, spreadsheet, databases, presentation, Internet search engines).

**Outcome 1.9 Financial Management**

Use financial tools, strategies and systems to develop, monitor, and control the use of financial resources to ensure personal and business financial well-being

**Competencies**

1.9.1 Create, analyze, and interpret financial documents (e.g., budgets, income statements).

1.9.2 Identify tax obligations.

1.9.3 Review and summarize savings, investment strategies and purchasing options (e.g., cash, lease, finance, stocks, bonds).

1.9.4 Identify credit types and their uses in order to establish credit.

1.9.5 Identify ways to avoid or correct debt problems.

1.9.6 Explain how credit ratings and the criteria lenders use to evaluate repayment capacity affect access to loans.

1.9.7 Review and summarize categories (types) of insurance and identify how insurances can reduce financial risk.

1.9.8 Identify income sources and expenditures.

**Strand 4. Business Governance**

Learners acquire foundational legal knowledge and apply business governance principles to minimize risk, maintain organizational compliance and establish and maintain organizational structure.

**Outcome 4.1 Risk Management Fundamentals**

Identify policies, processes and strategies to manage risk.

**Competencies**

4.1.6 Describe quantitative and qualitative approaches to measuring and analyzing risk.

4.1.7 Distinguish among key risk indicators, key performance indicators and process indicators.

4.1.8 Develop a risk profile using the risk-reward relationship.

4.1.9 Select strategies for managing risk and recovering from disasters.

4.1.10 Describe the elements of an enterprise risk-management policy.

4.1.11 Describe strategies for managing portfolio risk that consider business risk tolerance and financial and operational goals.

4.1.12 Define risk and compare inherent and residual risk.

**Outcome 4.2 Contract Oversite**

Administer and evaluate contracts.

**Competencies**

4.2.3 Identify the components of a legally enforceable contract (e.g., offer, acceptance, consideration, legality, capacity, consent, writing [if applicable]).

4.2.4 Determine if a contract contains all the necessary components to be legally enforceable.

4.2.5 Identify financial arrangements in contracts and the financial information required to verify compliance with the contract terms (e.g., cost plus pricing, contingent pricing, time and materials pricing, profit-sharing, percentage-based fees).

4.2.6 Identify contract terms that might restrict future business activity (e.g., required credit rating, maximum debt-to-equity ratio, minimum cash reserve, prohibited lease transactions, shared information).

4.2.7 Identify contract terms that mandate reporting of financial and non-financial information and establish processes to collect and submit required information.

4.2.8 Implement the process to monitor contract terms for compliance and to protect against breach of contract or default.

4.2.15 Explain how businesses mitigate and liquidate damages.

**Outcome 4.3 Compliance**

Identify policies, processes and strategies to manage compliance.

**Competencies**

4.3.6 Analyze existing policies, procedures and documents to ascertain compliance with regulatory requirements and self-regulatory guidelines.

4.3.8 Explain the role and function of compliance assessment activities (e.g., due-diligence reviews, internal audits, work plan reviews).

**Strand 6. Business Management**

Learners identify and apply policies, processes and strategies for effective management of information, projects, strategy and talent.

**Outcome 6.2 Strategic Planning**

Apply strategic planning processes.

**Competencies**

6.2.4 Identify and benchmark (e.g., dashboards, scorecards) key performance indicators and key risk indicators.

6.2.7 Track achievement of goals and objectives using key performance indicators.

**Outcome 6.4 Project Management**

Plan, manage and evaluate projects.

**Competencies**

6.4.3 Define project objectives, scope, outputs and resource requirements (i.e., project charter and statement of work).

6.4.9 Complete project closing activities (e.g., obtain buyer acceptance, finalize billing, archive documentation).

6.4.10 Evaluate project results (e.g., compare project results to expectations, conduct surveys, review lessons learned), and recommend follow-up actions

**Strand 9. Financial Analysis and Evaluation**

Learners apply principles of financial and managerial accounting to collect, analyze and distribute financial data, evaluate investment opportunities and operate financial services.

**Outcome 9.1 Financial Principles**

Identify and apply principles of finance and accounting to plan and monitor the use of financial resources.

**Competencies**

9.1.2 Explain how accounting standards impact business financial performance.

9.1.3 Distinguish between cash and accrual methods of accounting.

9.1.4 Analyze business performance utilizing financial ratios in the areas of liquidity, profitability, asset management, debt management and market valuation (e.g., current ratio, quick ratio, inventory turnover, debt ratio, gross margin, profit margin, return on assets, return on equity, earnings per share, price-earnings ratio).

9.1.6 Calculate and interpret financial ratios.

9.1.9 Identify traditional and non-traditional financing options.

9.1.10 Explain the impact of net present value and opportunity costs on capital investment decisions.

**Outcome 9.2 Corporate Investments**

Identify policies, processes and strategies for making investments.

**Competencies**

9.2.1 Identify sources of securities information.

9.2.2 Explain capital markets and corporate valuation models (e.g., stocks and bonds) used in finance.

9.2.3 Describe how financial needs differ in the stages of a business lifecycle (e.g., start-up, growth, maturity, decline).

9.2.4 Compare asset allocation strategies, risk profiles, and investment objectives.

**Outcome 9.3 Financial Risk Management**

Identify, administer and evaluate policies, processes and strategies to manage financial risk.

**Competencies**

9.3.1 Calculate internal performance measures (e.g., product-line profitability, business unit profitability, return on investments, residual income, measures of working capital).

9.3.2 Calculate long-term capital needs.

9.3.3 Analyze the impact of changes in benchmark rates on lending and borrowing costs (e.g., fed funds rate, 10-year treasury rate, London Interbank Offered Rate [LIBOR]).

9.3.4 Determine business financial goals by analyzing strengths, weaknesses, opportunities and threats (i.e., SWOT analysis).

9.3.5 Analyze transactions and accounts (e.g., receivables, payables, long terms assets and debt, risk of loss and interest rate changes) to identify manageable risks and opportunities.

9.3.6 Determine aspects of international corporate finance impacting company performance (e.g., transaction exposure, financing costs).

9.3.7 Determine financial risk-management techniques and associated risks (e.g., derivative contracts, insurance, indemnity agreements, self-insured retentions, captives).

**Outcome 9.5 Financial Accounting**

Apply principles of accounting to record and summarize financial transactions.

**Competencies**

9.5.2 Explain the accounting concepts that form the basis for accounting systems that comply with Generally Accepted Accounting Principles (GAAP) (e.g., accounting cycle, accounting method, accounting equation).

9.5.4 Identify the components of the accounting equation and identify how business transactions impact the equation and financial statements.

9.5.5 Classify and record standard business transactions (e.g., cash, accounts receivable, accounts payable, inventory, plant assets) to the general ledger using journals and reconciliation rules to reduce errors.

**Outcome 9.6 Financial Reporting and Auditing**

Collect and analyze financial information and report financial activity in compliance with applicable regulations, policies and processes.

**Competencies**

9.6.12 Describe the purpose and information reported on the Income Statement, Statement of Stockholders' Equity, Balance Sheet & Statement of Cash Flows.

9.6.13 Prepare financial statements including income statement, statement of stockholders’ equity and balance sheet.

**Outcome 9.7 Managerial Accounting**

Apply principles of accounting to analyze financial information for internal decision-making.

**Competencies**

9.7.8 Interpret pro-forma financial statements (e.g., balance sheet, income statement, cash flow statement) to determine impact of a proposed action.

**Outcome 9.8 Risk Management for Financial Institutions**

Identify policies, processes and strategies to manage risk specific to financial institutions.

**Competencies**

9.8.1 Explain key banking and insurance calculations (e.g., interest, annual percentage rate, exchange rates, RAROC [Risk-Adjusted Return on Capital], claim loss ratio) and requirements established in regulatory guidelines.

9.8.3 Explain rating systems and guidelines used by regulatory agencies to assess a financial institution’s compliance (e.g., CAMELS [Capital Adequacy, Asset Quality, Management Administration, Earnings, Liquidity and Sensitivity]) and the rules regarding use and disclosure.

9.8.5 Explain the risks associated with insurance services (e.g., underwriting, claims) and techniques used to reduce, mitigate and measure risks at the enterprise level (e.g., insurability provisions, credit-based scoring models, actuarial sciences, reinsurance).

9.8.6 Explain the risks associated with securities products and trust services (e.g., suitability, risk of loss) and strategies used to manage these risks for a financial institution (e.g., investment profiles, validated asset allocation models, disclosures).

9.8.7 Interpret banking and insurance risk measures and metrics (e.g., interest rate risk, liquidity risk, credit risk, underwriting risk).

**Outcome 9.9 Cash Management**

Identify policies, processes and strategies to monitor and control cash flow and currency.

**Competencies**

9.9.1 Prepare short-term, medium-term, and long-term cash budgets to determine a business’ cash requirements.

9.9.2 Develop strategies to meet company’s cash requirements.

9.9.3 Determine payment and collection system structure that minimizes amount of cash required to fund daily operations, and describe associated limitations and requirements (e.g., National Automated Clearinghouse Association [NACHA] rules).

9.9.4 Identify strategies for managing the risks associated with opening, managing, and closing corporate bank accounts (e.g., Payment Card Industry [PCI] compliance).

9.9.5 Manage the use and acceptance of credit cards and online payment methods (e.g., Venmo, PayPal, Cash App, Square, Zelle).

9.9.6 Manage extensions of credit to customers and vendors.

9.9.7 Select strategies for making and receiving international payments, loans, and investments.

9.9.8 Select working capital improvement strategies (i.e., receivables, payables, and inventory).

**Outcome 9.10 Capital Management**

Identify policies, processes and strategies to manage capital structures and support liquidity and solvency.

**Competencies**

9.10.1 Select technique (e.g., payback, net present value, internal rate of return) to analyze proposed capital investments based on advantages, disadvantages, and available information.

9.10.4 Explain the impact of mandatory cash levels, or reserves, established by legal or regulatory requirements, as applicable, on capital plans (e.g., legal capital, loan loss reserves, net capital reserves, statutory minimum capital, surplus requirements).

9.10.5 Describe the requirements for using capital market securities as a source of financing.

9.10.6 Identify factors impacting dividend policy, select the dividend policy and evaluate dividend impact.

9.10.7 Assess the impact of capital transactions on the cost of debt, cost of equity, cost of capital, and minimum capital requirements.

9.10.8 Describe factors to consider in evaluating mergers and acquisitions, restructuring opportunities and divestiture options.

9.10.9 Describe the factors to consider in establishing domestic and international tax strategies.