



## COB300B

# Integrated Functional Systems: Finance BODY OF KNOWLEDGE

### **Financial environment**

Financial responsibilities  
Determinates of value (e.g., EVA™)  
Ethical behavior  
Corporate governance  
Agency theory

### **Forms of business**

Sole proprietorship  
Partnership  
Corporation  
Limited liability companies

### **Sources of capital**

Capital structure theory and policy  
Costs of capital

### **Working capital management**

Short-term financial management  
Cash conversion cycle  
Cash management practice and policy  
Credit management practice and policy  
Funding working capital requirements  
Lending standards and practices

### **Investment in long-term assets**

Capital budgeting decision process  
Discounted cash flow analysis  
Capital budget decision-making  
Net present value (NPV)  
Internal rate of return (IRR)  
Modified internal rate of return (MIRR)  
Payback period  
Capital Rationing  
Cash and financial breakeven analysis

### **Financial statement interpretation**

Financial statements, including notes  
Financial ratio analysis

### **Valuation concepts**

Future value of lump sum  
Present value of lump sum  
Future value of even and uneven cash flows  
Present value of even and uneven cash flows  
Present value of perpetuity  
Loan amortization

### **Fundamentals of capital markets**

Primary and secondary markets  
Broker and dealer markets  
Money and capital markets  
The role of financial institutions  
Valuation of debt and equity securities  
Lease v. buy decisions

### **Business development and planning**

Financial modeling  
Forecasting and risk management  
Pro forma financial statements  
Financial plan development

### **Tools**

Electronic spreadsheet applications  
Presentation and word processing applications  
Collaborative tools