

**American Management Association's  
AMA's Financial Workshop for Non-Financial Executives**

***Risk and Return***

- Understand the Meaning of Risk and Return
- Understand How Risk Affects Demanded Return
- Understand the Difference Between Finance and Accounting

***Bookkeeping and Accounting***

- Read and Understand a Company's Financial Statements (Balance Sheet, Income Statement, and Cash Flow Statement)
- Discuss Terms Like Assets, Liabilities, Equity, Accruals, Gross Margin, Current Ratio, Profit, Earnings, EBITDA, and Cash Flow

***Bookkeeping and Accounting: Advance Topics***

- Understand How Dividends Are Treated and What a Stock Split Means
- Understand How and Why Companies Buy Back Their Own Stock
- Understand the Special Reliability of Cash Flow

***Cost Analysis and Profit Planning—Variable Costs, Fixed Costs, and Breakeven***

- Identify Costs as Being Variable vs. Fixed
- Utilize a Model That Determines Breakeven Levels of Quantity, Price, and Cost

***Operating Leverage***

- Understand and Discuss the Meaning of the Term “Operating Leverage”
- Structure Costs When Your Market Has Volume Risk vs. When Your Market Has Price Level Risk and Variable Cost Risk

***The Firm from a Finance Perspective and the WACC***

- View the Organization from the Finance Perspective
- Discuss the Concept of the Weighted Average Cost of Capital (WACC)
- Understand the Importance of Cash and the Timing of Cash Flow

## ***Financial Leverage***

- Understand the Meaning of the Term “Financial Leverage” and How It Adds to Risk

## ***Financial Statement Analysis***

- Understand Why Financial Statement Analysis Is Done
- Compute the Financial Ratios Financial Analysts Use to Assess the Liquidity, Profitability, and Risk of a Business
- Judge and Discuss the Merits and Pitfalls of Each Ratio

## ***The Time Value of Money and Capital Budgeting***

- Understand Capital Budgeting
- Understand the Time Value of Money and the Time Cost of Money
- Understand a Compound Annual Growth Rate
- Understand How Finance Professionals Put a Present Value on Cash Coming in the Future
- Understand How Finance Professionals Make Investment Decisions Involving Outlays of Cash Today in Expectation of Returns of Cash in the Future (the Net Present Value and the Internal Rate of Return)

## ***Operational Budgeting***

- Understand What Budgeting Is and Why Budgets Are Used
- Construct a Budget Properly
- Work with Different Budgeting Techniques

## ***How to Read an Annual Report***

- Read and Understand the Financial Statements of a Fortune 500 Company
- Recognize and Interpret the Portions of the Annual Report Required By the Securities and Exchange Commission
- Recognize the Form(s) and Meaning of the Auditor’s Opinion
- Read and Understand the Importance of Footnotes in Evaluating Financial Statements

## ***Mergers and Acquisitions***

- Understand the Basics Behind Merger and Acquisition Strategies