

**American Management Association's
Fundamentals of Finance and Accounting
for Non-Financial Managers**

Learning Objectives

- Discuss the Relationship between the Information Presented on Basic Financial Statements
- Read and Interpret Basic Financial Statements
- Understand How to Evaluate a Company's Financial Health Based upon the Information Presented in Its Annual Report and 10-K Report
- Calculate Key Financial Ratios to Analyze a Company's Financial Position and Management Performance
- Identify Other Sources of Financial Information
- Improve Their Company's Profitability through an Understanding of Cost and Break-Even Points
- Compare the Rate of Return for Various Investments and Determine Which Are Good Uses of the Firm's Assets

Basic Accounting

- Discuss the Importance of the Accounting Equation
- Explain the Significance of Generally Accepted Accounting Principles (GAAP)
- Describe the Accrual Process
- Differentiate between Accounting Profit and Cash Flow

How Accounting Works and Understanding Financial Statements

- Describe an Income Statement or Profit and Loss Statement (P&L)
- Discuss a Balance Sheet and Its Use
- Identify a Statement of Retained Earnings
- Describe a Cash Flow Statement
- Prepare a Simple Set of Financial Statements
- Summarize the Accounting Process, from the Recording of Business Transactions to the Preparation of Financial Statements
- Share How Various Business Transactions Affect the Financial Statements

Reviewing an Annual Report

- Identify the Components of an Annual Report
- Explain the Importance of Notes in Evaluating Financial Statements
- Describe an External Auditor's Role and the Significance of the Opinion Letter

Evaluating a Company's Financial Statements

- Calculate the Key Financial Ratios Using the Financial Statements
- Use Financial Ratios to Evaluate:
 - An Organization's Liquidity, Leverage and Profitability
 - The Performance of an Organization as Compared to Its Competitors'
 - An Organization's Performance Compared with Budgeted Goals
- Identify Sources of Financial Information beyond the Financial Statements
- Use the DuPont Formula to Evaluate Management Performance
- Use the Concept of Economic Value Added (EVA®) And Cash Flow Return on Investment (CFROI) To Determine If a Segment of an Organization Is Adding Value to the Business

Improving Profitability through Cost Analysis and Profit Planning

- Differentiate between Fixed and Variable Costs
- Help Your Organization Improve Profitability through the Use Of:
 - Break-Even Analysis
 - Contribution Margin Analysis
 - Direct Costing in Appropriate Situations
- Explain Traditional Cost Accounting and Its Limitations
- Discuss the Relevance of Activity-Based Costing in Today's Business Environment

Making Major Financial Decisions with Capital Expenditure Analysis

- Define the Capital Budget
- Explain Why Cash Has a Time Value
- Recognize and Apply Different Methods of Evaluating Capital Expenditures and Monitoring Project Performance

Budgeting More Effectively

- Discuss the Role of Budgeting and Issues That Budgets Can Solve
- Describe the Budgeting Process
- Identify Different Types of Budgeting Systems in Use Today
- Analyze Budgets for Different Purposes
- Recognize and Apply Different Methods of Evaluating and Monitoring Operating Performance

Course Highlights

- Review Program Summary and Expectations
- Determine the Actions That You Will Take When Returning to Work Based on What You Have Learned in the Program
- Generate a List of Questions to Take with You and Further Your Learning