

**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; and 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<sup>®</sup>) 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 Breakeven Analysis, Contribution Margin Analysis, and 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