

Common Course Outline
EBUS 258
Financial Management of An E-Business
2 Semester Hours

The Community College of Baltimore County

Description

Financial Management of An E-Business is a course in financial management covering both basic principles and current problems. Study includes the role of the financial manager and financial risks, returns, and objectives in the environment of E-Business and the capital markets. The course provides a background needed by the prospective businessperson to understand the financial structure of an E-Business and the economy in which it operates.

Prerequisite: ACCT 101 or permission of program coordinator

Overall Course Objectives

Upon completion of this course the student will be able to:

1. Name and illustrate the various bases used for segmenting consumer and industrial markets;
2. Define the time value of money and identify its impact on financial management decisions;
3. Explain the risk/return continuum;
4. Describe the principles of an efficient capital market;
5. Describe the importance of diversification in the development of a capital funding plan;
6. Evaluate a company's profitability using an income statement;
7. Analyze a balance sheet to determine the financial health of a company;
8. Identify the requirements for compliance with tax laws;
9. Evaluate a cash flow statement;
10. Analyze a company's financial statements using financial ratio analysis to include return on investment (ROI);
11. Describe the importance of "break even analysis" for an e-business;
12. Determine the break-even quantity of output or sales for an e-business;
13. Identify the major components of a cash budget;
14. Explain how the inclusion sustainable rate of growth impacts the development of a typical budget;
15. Identify the methods used to incorporate risk into capital budgets;
16. Identify various types of bonds and characteristics that are unique to each type;
17. Describe how the bond holder's expected rate of return impacts the decisions effecting financial management;
18. Differentiate among the various classifications of stock;
19. Describe how the stock holder's expected rate of return impacts the decisions effecting financial management;
20. Compute an e-business's cost of capital;

21. Evaluate the e-business capital structure in terms of re-capitalization, reorganization, and liquidation; and
22. Describe the importance of debt capacity in the development of an effective financial mix.

Major Topics

- I. Financial Statements and Long-Term Financial Planning
- II. Taxes
- III. Valuation of Cash Flows
- IV. Time Value of Money
- V. Interest Rates and Bond Valuation
- VI. Stock Valuation
- VII. Capital Budgeting
- VIII. Making Capital Investment Decisions
- IX. Risk and Return
- X. Security Market Line
- XI. Options
- XII. Cost of Capital
- XIII. Raising Capital
- XIV. Financial Leverage and Capital Structure Policy
- XV. Dividends and Dividend Policy
- XVI. Cash and Liquidity Management
- XVII. Short-Term Financial Planning
- XVIII. International Corporate Finance

Course Requirements

Grading/exams: Grading procedures will be determined by the faculty member, will be provided the first week of class and will include:

Online quizzes	25%
Project Analysis and Evaluation	25%
Tests	50%

Writing: The individual faculty member will determine specific writing assignments.

Other Course Information

- This course is a required course for the Business Track of the E-Business Program.
- This course is taught online.

Individual faculty members may include additional course objectives, major topics, and other course requirements to the minimum expectations stated in the Common Course Outline.

Date Revised: 11/01/02