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Course Information

Course Title: Financial Analysis: A Business Decision Guide #3626

Number of continuing education credit hours recommended for this course:

CPA: 19 (All states)

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study: Finance

Course Description:

Level: Overview

Prerequisites: None

Advance Preparation: None

Financial Analysis: A Business Decision Guide describes how to extract meaningful information from the financial statements of a business. The course also delves into a number of analyses that can be used to improve business decisions, such as price optimization, constraint management, and credit granting. Another area addressed is financing, where the course covers financial leverage, capital structure, foreign exchange risk, and more. Other topics include financial forecasting, discounted cash flow analysis, and the valuation of acquisitions.

Course Content

Publication/Revision date: 9/27/2014.

Course book: *Financial Analysis* by Steven M. Bragg, CPA.

Final exam (online): Ninety-five questions (multiple-choice).

Instructions for taking this course

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. The exam may be retaken if not passed on first attempt (no charge).

Complete the course by following the learning assignments and objectives listed below and studying the review questions at the end of each chapter. Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com

Learning Assignment & Objectives

Learning Objectives:

- Note the situations in which different types of financial analysis could be used.
- Identify the financial statements, their contents, and how they are formatted.
- Cite the key accounting concepts that can alter the information presented in the financial statements.
- State the methods used to interpret the information in the financial statements.
- Identify the components of the cost-volume-profit relationship, and how they are used.
- Identify the advantages of the various pricing methodologies.
- Cite the issues that can impact the cost of a cost object, and whether that cost is recognized.
- Identify the key constraint concepts and how they can be used to improve profitability.
- Note the concepts under which credit is granted to customers, as well as indicators of possible future delinquency.
- Identify the financing choices available to a company.
- Cite the impact and risks of financial leverage on a business, as well as when leverage is more likely to be used.
- State the issues impacting the capital structure of a business, as well as situations in which the capital structure should be reviewed.
- Identify the measurements used by investors to track the adequacy of dividend payments.
- Identify the risks and mitigating actions associated with foreign exchange.
- Cite the risks and mitigating actions associated with interest rates, as well as the terms of the various interest rate hedging instruments.
- State the elements of a system of forecasting and budgeting.
- Identify the issues impacting the rate of growth of a company.
- Identify the elements of the cost of capital, and note how the cost of capital is calculated.
- Cite the basis for the use of discounted cash flows, the types of annuities, and how discounted cash flows can be used.
- State the methods available for analyzing requests for capital projects, and the issues to be reviewed when examining such requests.

- Note the concepts involved in the lease or buy decision process, the information to include in or exclude from the decision, and the circumstances under which different lease types would be used.
- Identify the techniques used to place a value on a target company.
- Cite the methods used to measure and improve shareholder value, and the situations in which certain methods are more applicable.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written the following books:

Accountants' Guidebook	Credit & Collection Guidebook
Accounting Controls Guidebook	Financial Analysis
Accounting for Inventory	Fixed Asset Accounting
Accounting for Investments	GAAP Guidebook
Accounting for Managers	Human Resources Guidebook
Accounting Procedures Guidebook	IFRS Guidebook
Bookkeeping Guidebook	Inventory Management
Budgeting	Investor Relations Guidebook
Business Ratios	Lean Accounting Guidebook
CFO Guidebook	Mergers & Acquisitions
Closing the Books	New Controller Guidebook
Constraint Management	Nonprofit Accounting
Corporate Cash Management	Payroll Management
Cost Accounting Fundamentals	Public Company Accounting
Cost Management Guidebook	Revenue Recognition

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Preface

A company is constantly confronted with situations that require a detailed review of available options and a decision to proceed in a certain direction. These decisions can be supported by different types of analysis tools. In *Financial Analysis: A Business Decision Guide*, we explore many of the decision tools available to management, and how they can be employed to improve operations and financial results. The topics covered include the general areas of financial statement analysis, operational analysis, financing analysis, forecasting, and investment analysis. As examples of the topics covered, *Financial Analysis* provides answers to the following questions:

- How do inventory costing methods impact the reported results of a business?
- Which ratios should I use to interpret the information in financial statements?
- Which pricing methods would work best in my company?
- Which costs should I include when examining the profitability of customers?
- How can bottlenecks impact profitability?
- How can I employ financial leverage to enhance the return on equity?
- How can I design the optimal capital structure for my business?
- How can I reduce the risk of holding foreign exchange?
- Which issues should I consider when arriving at a reasonable rate of growth?
- When should I use discounted cash flow methods?
- Which methods should I use to value a potential acquisition?

Financial Analysis: A Business Decision Guide is intended for managers, analysts, accountants, consultants, and students, who can benefit from its broad range of analysis topics..

Centennial, Colorado
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