



FINANCE & ACCOUNTING

Module 1: Paul Chaney – E. Bronson Ingram Professor in Accounting

Understanding Financial Statements

Evaluate a firm's performance by recognizing the characteristics of three main types of financial statements, how each of these statements are developed over time, and how these statements are interrelated.

Introduction to Financial Accounting

- Introduction to Financial Accounting
- Who Determines the Rules
- Overview of Financial Statements
- Overview of Income Statements
- Overview of Balance Sheets
- Overview of the Statement of Cash Flows

Income Statement Fundamentals

- Revenue Recognition
- Matching Principle
- Examples of Accruals

Balance Sheet Fundamentals

- Current Assets and Accounts Receivables
- Accounting for Inventory
- LIFO/FIFO
- LIFO/FIFO Interpretation
- Long Term Assets
- Liabilities
- Stockholder's Equity

Module 2: Paul Chaney

Analyzing Financial Statements

Evaluate a firm's performance by computing ratios based on specific classifications; by analyzing the underlying causes for variability in ratios through a process of breaking down combinations of ratios over time; and by approaching a financial analysis using the structure/framework presented.

Measuring Performance Using Cash Flows

- Introduction to Analyzing Financial Statements
- Why is an Increase in Working Capital Bad News for Cash Flows
- Five Step Approach to Reading a Statement of Cash Flows
- Interpreting Cash Flows from Operations
- Cash from Operations

Ratio Analysis

- Introduction to Ratios
- Liquidity Ratios
- Solvency or Debt Ratios
- Profitability Ratios and Common Size Income Statements
- Common Size Income Statements
- Decomposing ROE & ROA
- Decomposing the Profit Margin Ratio

Examples of Measuring Firm Performance

- Changes in Balance Sheet
- Structured Ratio Analysis
- Predicting Bankruptcy
- Why Depreciation Doesn't Affect Cash Flows

Module 3: Bill Christie – Frances Hampton Currey Professor of Management in Finance

Investment Decisions Under Certainty

Make more informed investment decisions under conditions of certainty by applying finance principles to valuing capital investments, applying decision-making criteria for multi-period cash flows, and constructing cash flow forecasts.

Time Value of Money

- Welcome to Investment Decisions

- The Time Value of Money: Single Period Cash Flows
- Creating Investment Rules
- The Time Value of Money: Multi-Period Cash Flows
- Multi-Period Valuation: Perpetuities
- Multi-Period Valuation: Annuities
- Valuation Applications

Alternative Investment Criteria

- The Payback Rule
- Understanding Internal Rate of Return
- Investment vs. Financing Projects
- Mutually Exclusive Projects

Constructing Cash Flow Forecasts

- Cash Flow from Operations
- Cash Flow from Investments
- Creating the Cash Flow Forecast: Cash Flow Operations
- Creating the Cash Flow Forecast: Cash Flow Investments, Part 1
- Creating the Cash Flow Forecast: Cash Flow Investments, Part 2

Module 4: Bill Christie

Investment Decisions Under Uncertainty

Apply an understanding of the rate of return through which to move cash flows through time by identifying and measuring riskiness of assets. Understand how some financial concepts have been misused in corporations and markets.

Sensitivity Analysis

- Setting the Scene
- Identifying Sources of Uncertainty and Forecast Bias
- Valuation Implications of Changing Assumptions
- Accounting Break Even
- Economic Break Even

Identifying and Measuring the Risk of an Individual Asset

- History of Risk-Return Relation
- Portfolio Theory and the Risk of a Portfolio
- Isolating Co-Movement Among Stock Returns
- Importance of Variances vs. Covariances in Portfolio Risk
- Diversification Effect

- Risk of an Individual Asset and its Interpretation

Translating Risk into Investment Decisions

- Translating Risk to Expected Return
- Where Do Beta's Come From
- Project vs. Company Beta
- Does Debt Impact Expected Returns
- Cost of Capital Invariant to Debt Use

Certificate in Business Strategy

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