

# AOF: Applied Finance

## Course Scope and Sequence

Applied Finance delves into the financial concepts introduced to students in the Principles of Finance course. Students begin the course with a review of such key topics as cash flow, the business life cycle, and capital.

In Applied Finance, students learn about the legal forms of business organization and grasp the pros and cons of business ownership forms. Students continue to develop an understanding of profit and distinguish this measure of business success from cost and revenue. Students learn about various financial analysis strategies while they evaluate financial documents. They learn the three most common methods by which businesses raise capital—stocks, bonds, and short-term financing.

Students also have the chance to explore, in depth, topics of high interest in the field of finance, including globalization, employees, and taxes.

Students apply what they have learned over the course to the culminating project. Working in groups of four or five, students role-play company representatives (investor relations officers) making a pitch to a group of investors about the financial benefits of investing in their chosen company. The goal is to encourage the audience to invest in their company based on the overview that they present. The driving question for the project is, “How can we, as company representatives, best evaluate and present our company’s investment worthiness?” At the end of the course, the group delivers a presentation to an invited audience.

Finally, students get a chance to discover the types of careers that exist in finance today.

This course is expected to take a total of 72 50-minute class periods.

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## UNIT 1: Getting Started

### Lesson 1: Course Introduction

Estimated # of Class Periods: 2

#### Learning Objectives

- Infer the skills and knowledge about finance needed to be successful in an authentic project
- Identify general finance terms with which to build a taxonomy

### Lesson 2: Financial Concepts

Estimated # of Class Periods: 5

#### Learning Objectives

- Identify and describe all parts of the business life cycle
- Describe the concept of capital and discuss how businesses raise capital and why they need it
- Compare and contrast different forms of business ownership

### Lesson 3: The Financial Environment

Estimated # of Class Periods: 4

Learning Objectives

- Describe how finance influences business organizations
- Summarize the importance of cash flow within a business
- Evaluate ways to improve cash flow within a business

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## **UNIT 2: Profit and Risk**

### **Lesson 4: Profit**

Estimated # of Class Periods: 4

Learning Objectives

- Distinguish between costs, revenue, and profit
- Explain how profits keep a business viable
- Explain why it is necessary and desirable for some businesses to be not-for-profit

### **Lesson 5: Risk and Risk Management**

Estimated # of Class Periods: 3

Learning Objectives

- Display understanding of typical risks businesses face
- Evaluate approaches to risk management and mitigation

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## **UNIT 3: Financial Analysis Strategies**

### **Lesson 6: Financial Record-Keeping and Analysis**

Estimated # of Class Periods: 4

Learning Objectives

- Describe ways that businesses keep track of their financial results
- Distinguish between a profit and loss statement, a balance sheet, and a cash flow statement
- Explain the concepts of financial analysis, financial analysis tools, and the relationships among financial measurements

### **Lesson 7: Financial Strategies**

Estimated # of Class Periods: 4

Learning Objectives

- Explain the importance of a personal budget
- Describe how budgeting helps businesses manage their finances
- Display understanding of how forecasting helps businesses manage their finances

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## UNIT 4: Capital and Financial Markets

### Lesson 8: Business Financing Options

Estimated # of Class Periods: 3

#### Learning Objectives

- Describe why businesses might need to raise capital
- Compare and contrast funding options available to businesses
- Explain short-term and long-term funding

### Lesson 9: Stocks

Estimated # of Class Periods: 5

#### Learning Objectives

- Describe corporate stock and what it represents
- Explain the advantages and disadvantages of taking a company public
- Display understanding of the factors that can affect stock prices

### Lesson 10: Bonds

Estimated # of Class Periods: 4

#### Learning Objectives

- Explain why a company might issue bonds instead of stock
- Describe corporate bonds and what they represent
- Identify the principal ways to issue bonds

### Lesson 11: Financial Institutions

Estimated # of Class Periods: 3

#### Learning Objectives

- List various services offered by financial institutions
- Describe how financial institutions are important to the business world and the economy
- Explain how businesses rely on banks and other financial institutions for specific services and products

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## UNIT 5: Contemporary Issues in Finance

### Lesson 12: The Globalization of Business

Estimated # of Class Periods: 4

### Learning Objectives

- Define globalization
- Explain the effects of globalization on businesses
- Describe different globalization issues and examine their positive and negative characteristics

## Lesson 13: Employees

Estimated # of Class Periods: 4

### Learning Objectives

- Describe the effect of employee benefits on labor costs
- List and describe employee benefits commonly provided by employers
- Identify the personal importance of employee benefits upon entering the labor market

## Lesson 14: Taxes

Estimated # of Class Periods: 3

### Learning Objectives

- Explain ways in which businesses contribute to our tax system
- Interpret how businesses take taxes into account when making decisions
- Create recommendations for smart tax management techniques

## Lesson 15: The Culminating Project

Estimated # of Class Periods: 9

### Learning Objectives

- Research and describe relevant information, including company performance, financial soundness, and projected growth, for a specific company
- Analyze and summarize the benefits of investing in a specific company
- Explain why a specific company is a good investment choice to an audience of potential investors
- Demonstrate the ability to work cooperatively with culminating project groups
- Demonstrate the ability to plan and create an effective PowerPoint presentation

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# UNIT 6: Careers in Finance

## Lesson 16: Working in the Industry

Estimated # of Class Periods: 2

### Learning Objectives

- List the types of jobs that are available in the industry
- Describe entry-level jobs in the industry and corresponding qualifications

**AOF Applied Finance**  
**Course Scope and Sequence**

- Evaluate which jobs are most suitable based on personal interests and skills
- Develop effective responses to common job interview questions

**Lesson 17: Learning from Industry Experts**

Estimated # of Class Periods: 5

Learning Objectives

- Evaluate personal experience and qualifications for potential employment opportunities
- Display understanding of potential employment opportunities
- Develop a cover letter

**Lesson 18: Project Presentation and Course Closure**

Estimated # of Class Periods: 4

Learning Objectives

- Demonstrate the ability to give a professional presentation
- Evaluate personal experience and performance in the course
- Monitor personal success in learning about finance
- Summarize key learning across the whole subject of finance