

FUNDAMENTALS OF FINANCIAL MANAGEMENT COURSE #620  
SPRING I 2007

Prerequisite: None

Credits: 3

Course Instructor: Linda D. Chatterton, MBA  
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Baltimore, MD 21234  
Home with answering machine: 410-665-2538  
PLEASE: NO CALLS AFTER 9 PM

Email: [ldchatterton@comcast.net](mailto:ldchatterton@comcast.net)

Required Texts:

Ward, William, J., Jr., "Health Care Budgeting and financial Management for non-Financial Managers", Auburn House, Westport, Ct. ISBN: 0-86569-231-9

And

Rachlin, Robert and Allen Sweeny, "Accounting and Financial for NonFinancial Executives", AMACOM, American Management Association, 2<sup>nd</sup> edition, 1996 ISBN:0-8144-7928-6

Course Objectives:

Historically, healthcare and scientific managers evolve from an "apprenticeship" process within their specialized discipline. Little or no formal training is given in business areas like resource management and accountability. This course will provide that training by providing practical approaches to budgeting, financial analysis and the management of financial resources. Conceptual and "real world" issues will be addressed within each topic and the student will be encouraged to supplement the lecture material.

Following this course the student will be able to:

- Read and analyze the basic financial statements of an organization
- Describe the role of budgeting as a key component of the administrative process
- Develop, defend and implement a departmental/program budget
- Evaluate the financial status of a department or operating unit and determine what, if any, corrective actions should be taken.
- Use a variety of analytical methods to support sound management decision making and improve the management of scarce financial resources.

Course Format:

There will be a series of lectures as well as class discussions. Homework assignments and readings will encourage the students to utilize the tools and concepts of the course.

Evaluation:

- Class attendance and participation, including occasional quiz material
- Completion of homework assignments – homework assignments will be part of grading for course
- Mid-term and final exams

Students are encouraged to contact the Instructor via email or in person at the Graduate College Office ,M61, Jefferson Alumni Hall the 2 hours preceding class. 2:30 – 4:30 PM, Tuesdays

## FINANCIAL MANAGEMENT #620 SYLLABUS

JANUARY 2, 2007

Course Introduction and Overview  
Overcoming the “Mystique” and speaking the language  
What is accounting? What is financial management?  
Reporting events vs. causing events and actions  
The accountant’s view vs. manager’s view

Rachlin Text: Chapters 1 through 5

Ward Text: Chapter 1

JANUARY 9, 2007

Principles of Accounting  
Financial versus Managerial Accounting  
Costs and Asset Valuation  
Depreciation  
Accrual Accounting  
Funds  
Department Performance Reports

Rachling text: Chapters 6, 7, 8

Ward text: Chapters 2 and 3

Depreciation Problems

Asset Valuation Problems

JANUARY 16, 2007

Financial Statements: Income Statement, Balance Sheet, Cash Flow Statement  
Costs: Fixed, Variable, Semi-variable  
Break Even and Marginal Analysis  
Overhead Allocation

Rachling text: Chapters 9 and 15

Ward text: Chapter 3

Income Statement Problem

Cost Problems

Break Even and marginal analysis problems

JANUARY 23, 2007

Analyzing financial statements

Review for Mid-term

JANUARY 30, 2007

MID TERM EXAM

Rachling Text: none  
Ward Text: Chapters 4 and 5

FEBRUARY 6, 2007

Review of Mid-term  
Budgeting – Operational  
Salary and Expense Spreadsheets

Homework: Budget Spreadsheet problems  
Rachling Text: Chapters 10, and 11  
Ward Text: Chapter 6

FEBRUARY 13, 2007

Capital Budgets  
Capital Acquisition  
Decision Analysis: benefit: cost ratio, importance of Present Value Calculations

Homework: NPV problems  
Rachling Text: Chapter 12  
Ward Text: Chapter 7 and 8

FEBRUARY 20, 2007

Variance Analysis  
When to look and what to do with variances  
Forecasting and modeling

Homework: Variance Analysis and Forecasting problems  
Rachling Text: Chapter 14  
Ward text: Chapter 10

FEBRUARY 27, 2007

Productivity  
RVU concept  
Process Flow analysis

Homework: Productivity and RVU problems  
Process flow problem  
Ward Text: Chapter 11

MARCH 6, 2007      NO CLASS

MARCH 13, 2007

Presenting Financial Data  
Presenting and Winning Budget Presentations/requests  
Review of course and prepare for final

MARCH 20, 2007      FINAL EXAM