

Finance Basics for Managers

Many of the important decisions that an organization makes depend on its current and future financial health. Every manager needs a working knowledge of finance and accounting principles to understand and contribute effectively to the organization's decision-making and management processes.

It is not at all unusual for there to be a "cultural divide" between the accounting department and the rest of an organization. Because accounting deals with an organization's past performance, it is fairly precise and conservative in nature. An organization uses the financial information prepared by its accountants to make forecasts and budgets, which tend to be imprecise and more optimistic in nature. The better an organization's managers understand the financial aspects of the operation, the better their chances of bridging this divide.

Course Summary

This 30-minute course explains the basics of finance in simple, understandable terms. It includes pop-quizzes, news clippings and a final quiz highlighting real-world finance issues that managers should be conversant with.

The topics covered in the course include —

- Understanding financial information
- The balance sheet
- The income statement
- Statement of cash flows
- Other information sources
- Analyzing financial information
- Return on investment
- Using financial information
- Budgeting
- Managing for profitability