

## Business Finance

### 1 day

#### Description

This ILT Series course introduces students to the fundamentals of business finance. Students learn how to identify, calculate, and assess individual investments and investment portfolios, identify types of investment risks, calculate risk, and analyze the results. Students also learn how to calculate the future and present values of individual cash flows, ordinary annuities, annuities due, perpetuities, and investments with uneven cash flows. Course activities also cover calculating interest rates and maturity dates, establishing an amortization table, and calculating payments on amortized loans. Students also learn about the bond and stock markets, identifying characteristics of various types of stocks and bonds and their risks, and how to evaluate and invest in stocks and bonds.

#### Prerequisites

- *None*

#### Course Outline

##### ***Unit 1: Stand-alone risk***

Topic A: Risk basics

Topic B: Probability analysis and rate of return

Topic C: Risk calculation

##### ***Unit 2: Portfolio risk***

Topic A: Diversification principle

Topic B: The Capital Asset Pricing Model

Topic C: Ratio analysis

##### ***Unit 3: Future and present value of money***

Topic A: Time value of money

Topic B: Compounding and discounting

##### ***Unit 4: Even and uneven cash flows***

Topic A: Annuities

Topic B: Calculating financial values

##### ***Unit 5: Bonds and stocks***

Topic A: Bond fundamentals

Topic B: Stock fundamentals

Topic C: Valuation of bonds and stocks