

Mathematics used in Introduction to Business

The primary mathematic function in Introduction to Business is determining financial health, resources and management of the accounting functions.

Mathematics is used in managing and interpreting accounting information and in the creation of budgets and financial statements. Businesses must appropriately use and understand their financial resources in order to be competitive and survive in the business environment. Accurately using their financial information will provide them with tools for assessing their current situation, determining their needs and planning for the future.

Possible primary calculations used in introduction to business

- **Calculating an Income Statement & Balance Sheet:** Adding and subtracting, percentages and multiplication.
 - **Possible Assessment:** Students are given data and develop/calculate the financial statements and then analyze the condition of the company.
- **Using ratios to determine business health:** Addition, division, multiplication and percentages.
 - **Possible Assessment:** Students identify a public company and receive the past two annual reports. Utilizing ratios, have students determine the strengths, weaknesses and trends for the company based on their financial information. A variation of this activity would be to analyze two competitors.
- **Understanding and developing budgets:** Capital budgets, cash budgets, operating budgets.
 - **Possible Assessment:** Given financial information students determine various budgets and make recommendations.
- **Understanding leverage versus equity financing:** Used when determining the future needs of a business and identifying sources of finances.
- **Understanding information from securities markets:** Used to understand stock quotations, bond quotations, mutual fund quotations and indicators.
- **Personal financial budgets and information:** Using the same financial information and processes that a business uses, individuals have an opportunity to apply the information to a specific budget and financial planning scenario.
 - Assets
 - Expenses
 - Budgeting process
 - Debt reduction
 - Savings plan
 - Building a capital account
 - Planning for retirement

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Exam Question:

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