

Graduate  
Management  
Admission  
Council™

# BUSINESS FUNDAMENTALS

POWERED BY KAPLAN

Graduate  
Management  
Admission  
Council™

**Introduction**  
**Ana Kyper**  
**Senior Director, GME Prep and Readiness**

# Announcing: Business Fundamentals

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Graduate  
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Council™

**BUSINESS  
FUNDAMENTALS**

POWERED BY KAPLAN

Designed to ensure students have the fundamental quantitative knowledge to hit the ground ready before they start a business graduate program:

- ✓ More prepared students - avoids the need to do remedial work
- ✓ Levels the playing field
- ✓ Increased student success
- ✓ Features core quantitative concepts needed for a graduate business program

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# Three Fundamental Quantitative Courses

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## Statistics Fundamentals

- Learn how to analyze, summarize, leverage spreadsheets
- Practice displaying data to guide business decisions
- Explore Probability Theory and the Normal Distribution Mode

## Accounting Fundamentals

- Become acquainted with balance sheets and cash flow statements
- Understand the framework for describing and assessing a business' finances
- Learn to differentiate assets, liabilities, and equity
- Build knowledge of accounting theory, processes, and practices

## Finance Fundamentals

- Gain an understanding of how businesses raise capital, manage debt, and build equity
- Become familiar with financial analysis procedures
- Get an overview of managerial finance in the corporate world

# Built with Business Schools

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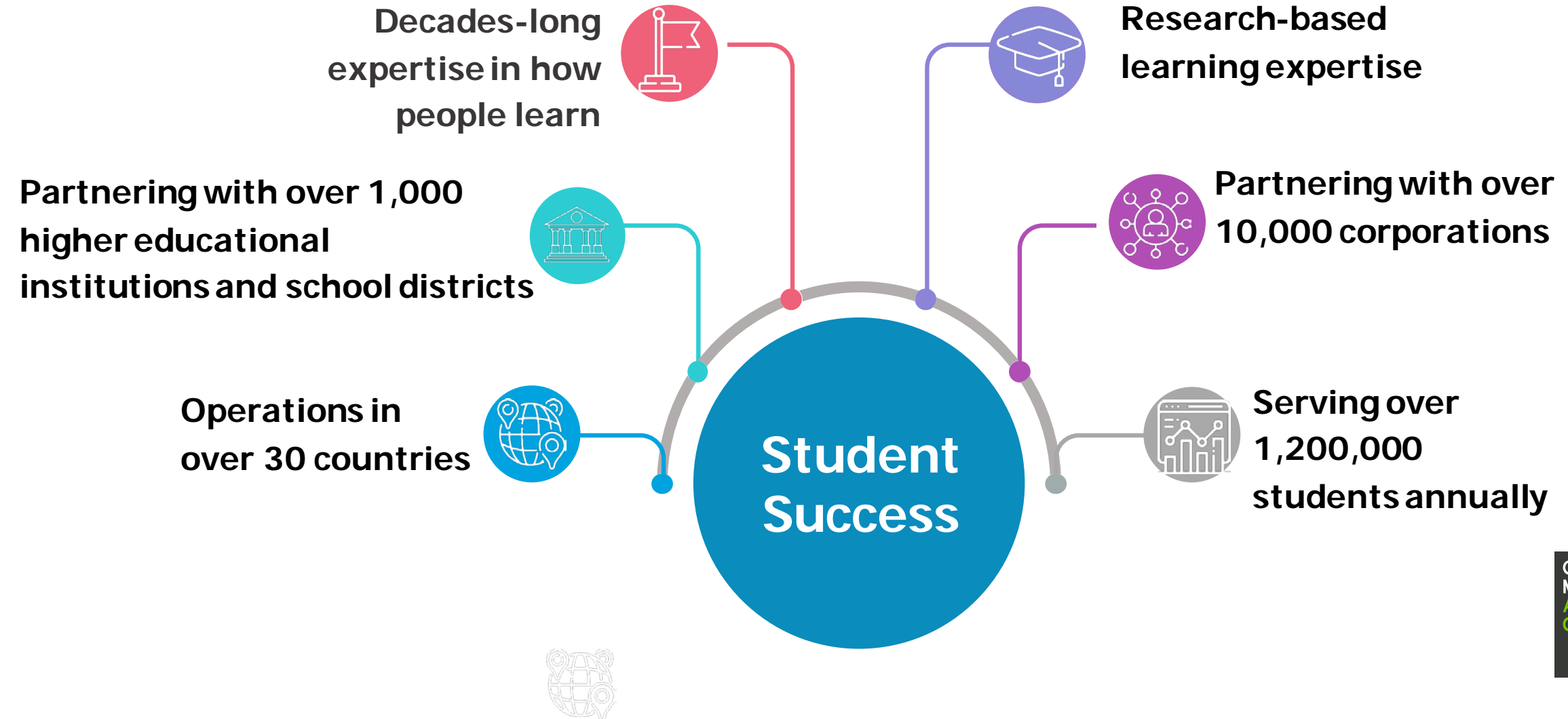
**Authored and Reviewed by Faculty at the following schools:**

- Northeastern University
- University of Louisville
- George Mason University
- Georgetown University
- Southern Methodist University
- University of Pennsylvania
- Carnegie Mellon University
- North Carolina State University
- Penn State University
- UT- Austin
- Seattle Pacific University

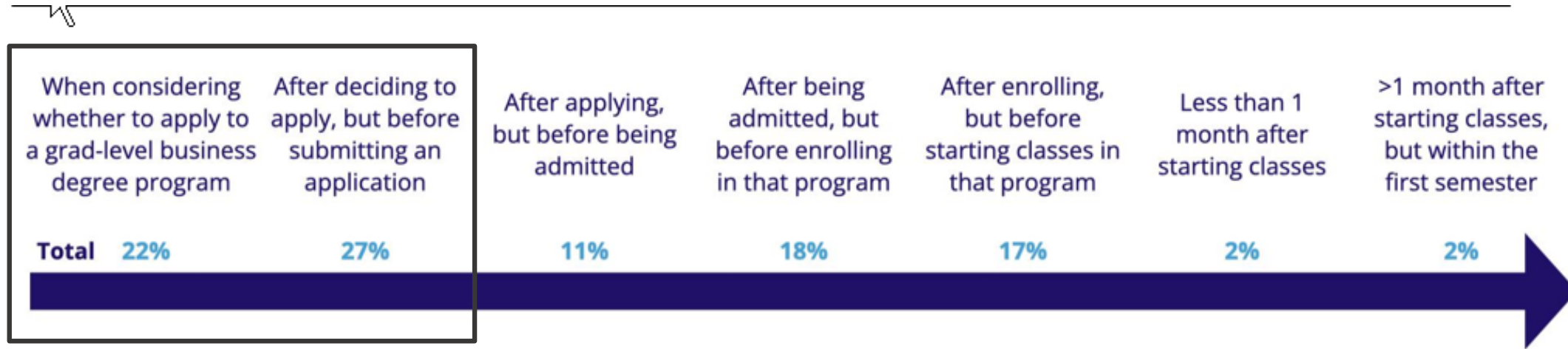
I was thrilled to participate in the writing of this course because I believe a solid accounting foundation will not only make life much easier for potential MBA students, it'll enable them to better grasp and utilize the rest of their MBA curriculum.

GMAC's Business Fundamentals gives incoming MBA students an advantage by covering the essential concepts and material needed.

# Why Kaplan?



# What Candidates Told Us



Candidates are most likely to consider enrolling in a bootcamp early in their journey\*

\*Kaplan Market Research  
Total: n=409

# What Candidates are Looking For...

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## ACHIEVERS

Interest in bootcamp driven by more psychological reasons



- Looking for a competitive edge
- Seeking ways to enhance their performance
- Looking for opportunities to boost their chance of admittance

## PREPARERS

Interest in bootcamp driven by more practical reasons



- Seeking to address specific requirements and build skills needed for their degree
- Seeking to refresh degree-related skills prior to starting the program
- Looking to prepare for a specific class



# How Candidates See the Benefits

## Preparation for graduate school

“Especially now, when some are expected to go to grad school directly after undergrad, and suddenly are 2 years out of school, a refresher or a program to better prepare for a grad program would be helpful.”

“Would help me prepare in advance for the academic rigor of a top MBA program to focus more on recruiting and networking once enrolled.”

“Would be great in preparing for returning to academics.”

“Become more acquainted with the study material.”

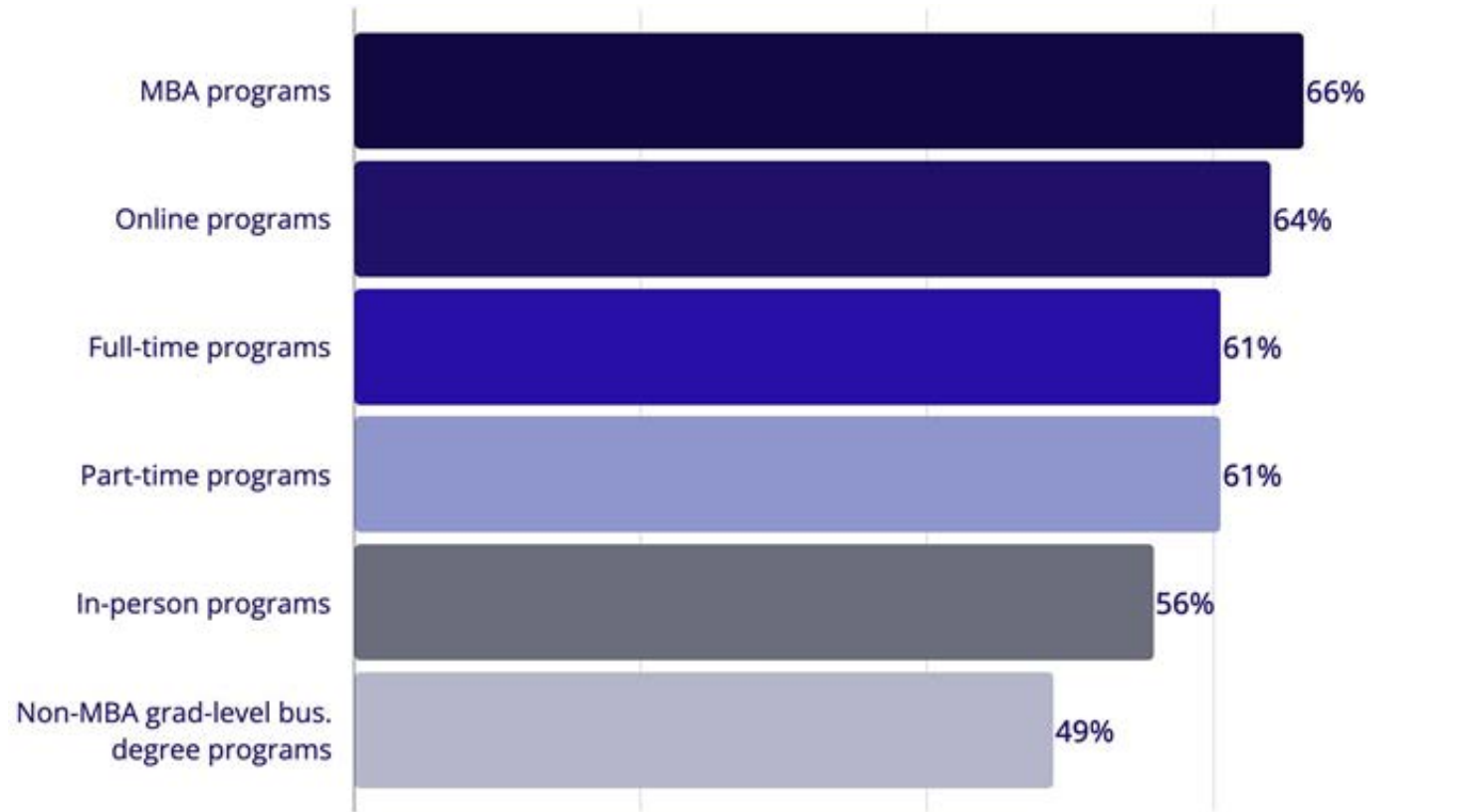
“It will help me to build the foundation knowledge that will help me succeed in the MBA program.”

“Given that I come from an engineering background, I am not well versed with a lot of topics related to finance and economics. The basic orientation that a boot camp provides will help in building a strong foundation required for MBA.”

## Familiarize myself with course content

# Schools Believe All Students In All Programs Would Benefit

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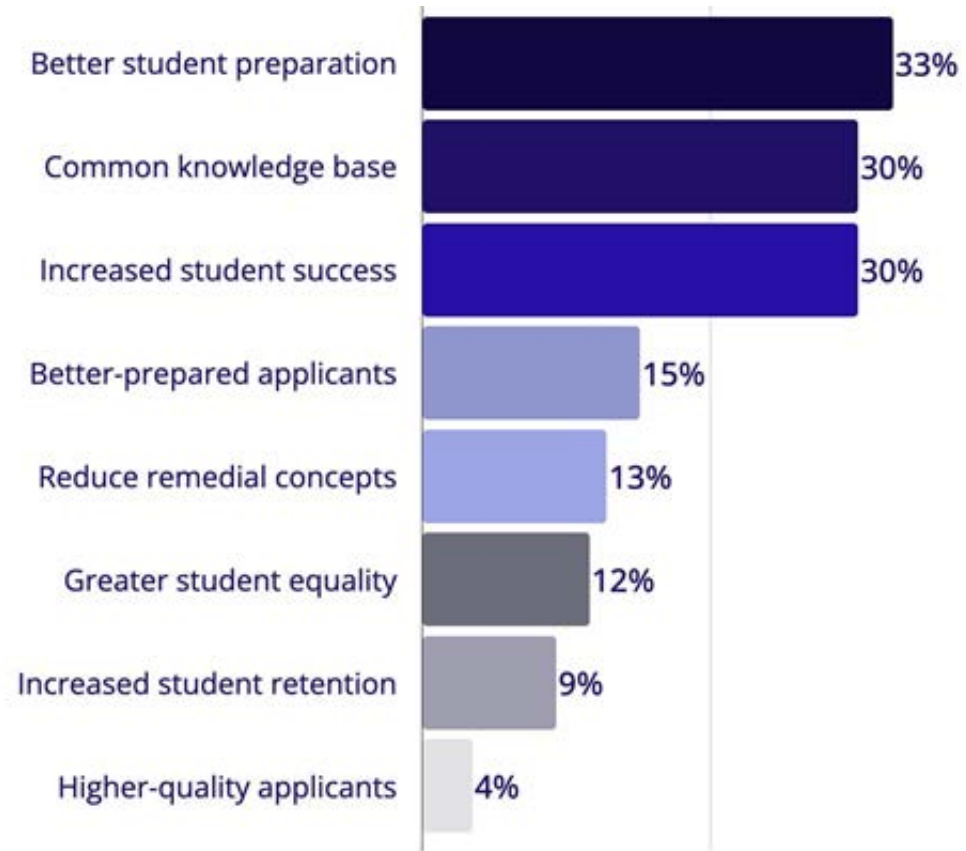


n=70

\*GMAC Institutional Survey Results

# Schools See A Variety of Benefits

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n=66

\*GMAC Institutional Survey Results

# Specific Benefits

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## Better student preparation



“Readies students for the rigors and expectations of the program, aligns those expectations to study requirements and promotes teaming and collaboration opportunities among the student class.”



An opportunity to **prepare and brush up on quantitative skills, communication expectations, and time management strategies.**

## Common knowledge base



“It helps **cover the basics** for incoming students and levels the playing field for those without a finance background. This makes it easier to **cover more complex topics and successfully grasp concepts.**”



“**Review important concepts in analytics, statistics, and accounting.** Not intended to teach these concepts but to **renew and review** these before starting a graduate program.”

## Increased student success



It would **fill in what is lacking but necessary in the typical applicant** applying to our college and to **increase the likelihood of success** in the program.



“Many prospective students shy away from the MBA due to the quantitative nature of some of the classes so it would be good for them to **feel confident as they enter the program.**”

# Product Features

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**Real-world  
business  
scenarios**



**Bite-sized  
modules  
with short  
videos**

**Self-paced  
lessons**

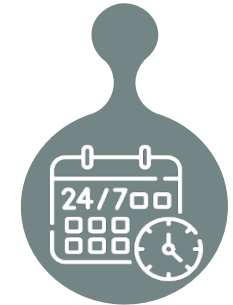


**Content is  
accessible  
24/7**

**Developed  
and reviewed  
by business  
school faculty**



**Students can  
validate  
mastery  
throughout  
the courses**



# Overall Course Structure

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## Introductory Video



A short video by the subject matter expert outlining the course content and structure

## Topic A



- Introductory Video
- Topic Pre-Test
- Lessons and Assignments
- Exercises to check for understanding
- Topic Quiz / Knowledge Check
- Repeats for each Topic

## Practice Exam



- Full-length (36-44) questions) practice exam to let students confirm mastery
- Unlimited attempts

## Final Exam



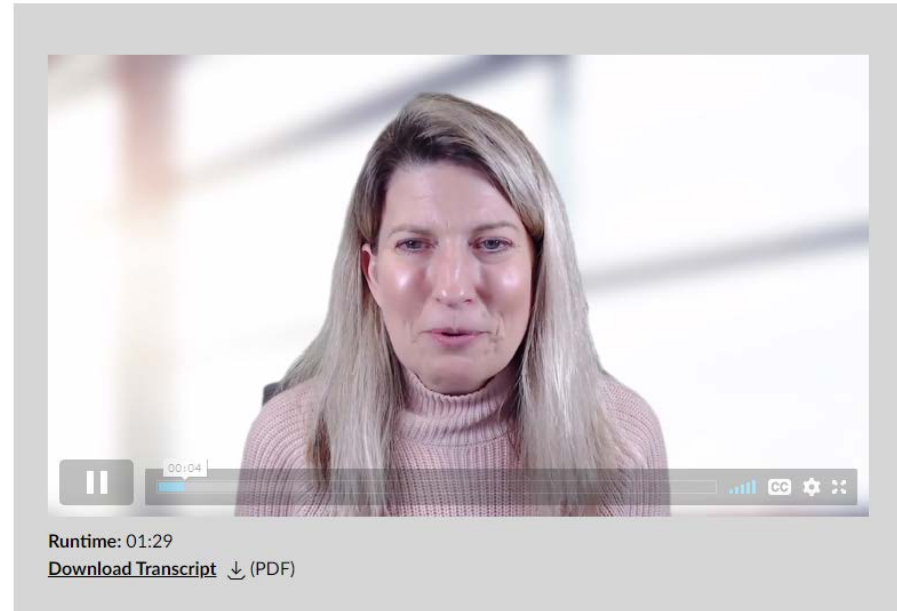
- 36-44 questions
- Untimed
- 3 attempts
- No "passing" score

# Course and Topic Introductory Videos

Subject Matter Expert walks student through the course outline and topic overview



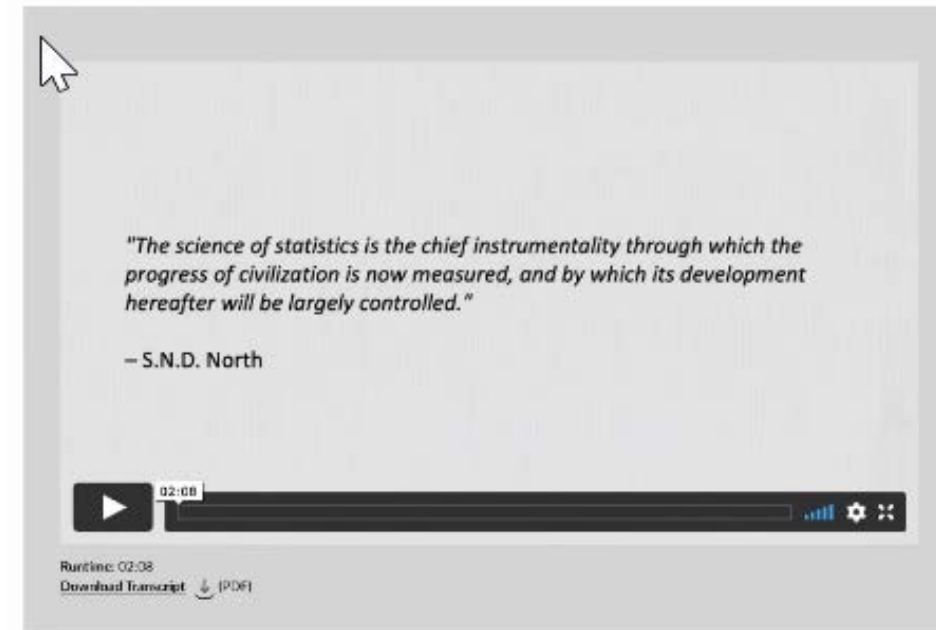
## Course Introduction



## Topic Introduction



## Topic Introduction



# Topic Pre-Test Gives Initial Feedback

## Topic 2 Pre-Test

Started: Feb 28 at 4:45pm

### Quiz Instructions



#### Question 1

1 pts

Which of the following statements about random selection are true?

- I. Humans can reliably generate true random selections.
- II. In random selection, short-term outcomes are unpredictable but long-term outcomes do follow predictable distributions.
- III. If a fair coin turns up Heads five times in a row, it is more likely to turn up Tails on the sixth flip.

- ☐ I only
- ☐ II only
- ☐ III only

#### Last Attempt Details:

Time:	less than 1 minute
Current Score:	2 out of 9
Kept Score:	2 out of 9

Lets student know how much time they need to focus on this topic



# Examples and Demonstrations

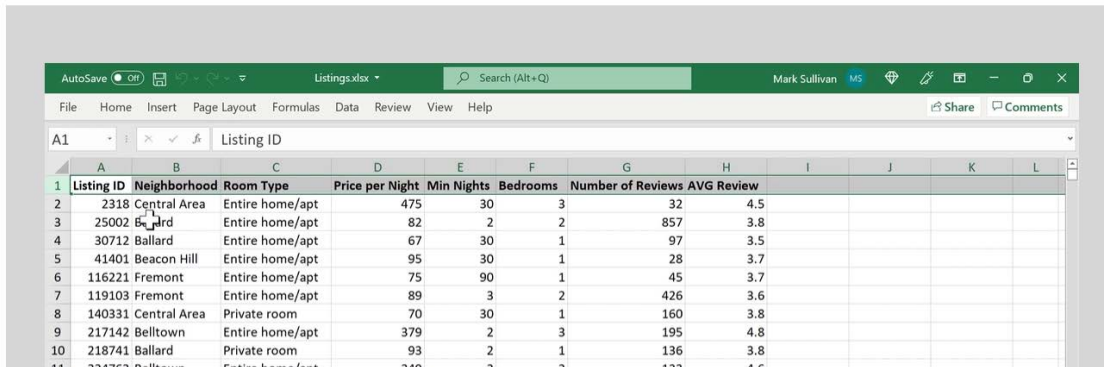
## Topic 1: Descriptive Statistics

Lesson 1.a.5

TIME ESTIMATE  
**12**  
minutes

Each module  
provides a  
time  
estimate

## Excel Demonstration

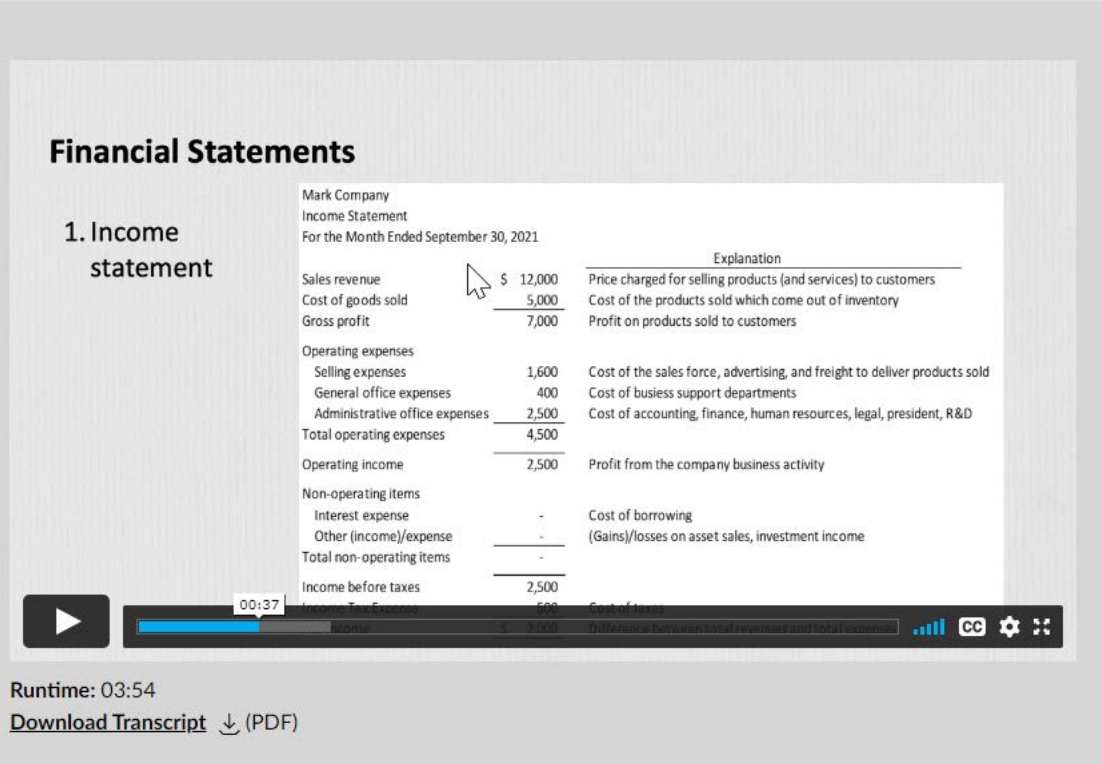


Listing ID	Neighborhood	Room Type	Price per Night	Min Nights	Bedrooms	Number of Reviews	AVG Review
2318	Central Area	Entire home/apt	475	30	3	32	4.5
25002	Ballard	Entire home/apt	82	2	2	857	3.8
30712	Ballard	Entire home/apt	67	30	1	97	3.5
41401	Beacon Hill	Entire home/apt	95	30	1	28	3.7
116221	Fremont	Entire home/apt	75	90	1	45	3.7
119103	Fremont	Entire home/apt	89	3	2	426	3.6
140331	Central Area	Private room	70	30	1	160	3.8
217142	Belltown	Entire home/apt	379	2	3	195	4.8
218741	Ballard	Private room	93	2	1	136	3.8
224762	Balltown	Entire home/apt	240	2	2	122	4.6

Video  
Demonstrations

## Financial Statements

### 1. Income statement




		Explanation
Mark Company Income Statement For the Month Ended September 30, 2021		
Sales revenue	\$ 12,000	Price charged for selling products (and services) to customers
Cost of goods sold	5,000	Cost of the products sold which come out of inventory
Gross profit	7,000	Profit on products sold to customers
Operating expenses		
Selling expenses	1,600	Cost of the sales force, advertising, and freight to deliver products sold
General office expenses	400	Cost of business support departments
Administrative office expenses	2,500	Cost of accounting, finance, human resources, legal, president, R&D
Total operating expenses	4,500	
Operating income	2,500	Profit from the company business activity
Non-operating items		
Interest expense	-	Cost of borrowing
Other (income)/expense	-	(Gains)/losses on asset sales, investment income
Total non-operating items	-	
Income before taxes	2,500	
Income tax expense	500	
Net income	\$ 2,000	Difference between total revenues and total expenses

Runtime: 03:54

[Download Transcript](#) (PDF)

# Exercises Let Students Apply Learnings

## Exercise

 **Note:** To answer the following question(s), utilize whichever instrument you're most comfortable with (scratch paper, pencil, calculator, and/or spreadsheet software, etc.)

Imagine that you are a financial planner and have a relatively conservative investment available that earns a 7% annual rate of return. You also have a somewhat risky investment available that earns a 9% annual rate of return. Your clients can ignore the effect of taxes because most people hold retirement and educational savings investments in accounts that allow tax-free compounding. You use the future value formula and the present value formula every day to help your clients understand how much they can expect to have in the future with a given investment now and how much they need to invest now to have a specific amount in the future.

$$FV = PV * (1 + rate)^{nper}$$

$$PV = FV / (1 + rate)^{nper}$$

1. A client comes in with \$20,000 to invest.
  - a. How much will this investment be worth in 15 years if it is invested in the relatively conservative investment with a 7% rate of return?
  - b. What if it is invested for 35 years at 7%?
2. What if the client with the \$20,000 to invest decides to take a bigger risk and invest in the investment with the 9% expected annual return?
  - a. How much will that investment be worth in 15 years at 9%?
  - b. What if it is invested for 35 years at 9%?
3. Imagine that another client walks in who will need \$100,000 in 15 years for a child's college education.
  - a. Is this a present value calculation or a future value calculation? How can you tell?
  - b. How much does that client need to invest now in the 7% investment?

## Check Your Answers

## Solutions

Imagine that you are a financial planner and have a relatively conservative investment available that earns a 7% annual rate of return. You also have a somewhat risky investment available that earns a 9% annual rate of return. Your clients can ignore the effect of taxes because most people hold retirement and educational savings investments in accounts that allow tax-free compounding. You use the future value formula and the present value formula every day to help your clients understand how much they can expect to have in the future with a given investment now and how much they need to invest now to have a specific amount in the future.

$$FV = PV * (1 + rate)^{nper}$$

$$PV = FV / (1 + rate)^{nper}$$

1. A client comes in with \$20,000 to invest.
  - a. How much will this investment be worth in 15 years if it is invested in the relatively conservative investment with a 7% rate of return?  
**This is a future value calculation. The present value is 20,000, the rate is 7%, and nper is 15 years. So the answer is:**  
$$FV = 20000 * (1 + 0.07)^{15}$$
$$= \$55,180.63$$
  - b. What if it is invested for 35 years at 7%?  
**Just change nper to 35 to get:**  
$$FV = 20000 * (1 + 0.07)^{35}$$
$$= \$213,531.63$$

# Frequent Checks for Understanding

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## Knowledge Check 1.a

Started: Feb 7 at 2:55pm

### Quiz Instructions

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#### Question 1

1 pts

Download [Admission.xlsx](#) and import the data into Excel or Google Sheets. What is the mean (average) LSAT score of students who were admitted (rounded to the nearest tenth)?

- ☐ 170.7
- ☐ 171.0
- ☐ 171.4

Designed to give students feedback throughout the course

# Explanations for Correct and Incorrect Answers

Each quiz lets you know the correct and incorrect answers so you can learn as you go



**You Answered**

☒ 170.7

**Incorrect.** There are several ways to compute this in Excel, but one is to sort column C in ascending order, note that the “admit” cases are in rows 2 through 196, and then use the formula `=AVERAGE(B2:B196)`.

☐ 171.0

**Correct!**

☒ 2.0

**Correct.** The formula `=COUNT(A:A)` tells us there were 1,037 total items ordered and `=MAX(A:A)` tells us that the largest transaction number was 523. Dividing 1,037 by 523 and rounding to the nearest tenth, we have a mean of 2.0 items per transaction.

☐ 2.2

The explanation and understanding why an answer was right or wrong helps the student achieve mastery

# Practice Final Exam

	Attempt	Time	Score
LATEST	Attempt 1	less than 1 minute	0 out of 40

Submitted Apr 29 at 2:19pm

Question 1

0 / 1 pts

What is a liability?

☐ Revenue

☐ A resource

☐ An obligation

☒ Shareholder equity

Correct Answer

You Answered

**Incorrect.**  
A liability is a company's obligation to an outside entity (like a lease or loan). Revenue is from sales. Shareholder equity is the difference between a company's assets and its liabilities. A resource that can provide a future benefit would be classified as an asset.

- 36-44 questions
- Provides answer explanations
- Unlimited attempts
- Lets student confirm course mastery or where to go back and focus

# Untimed Final Exam with 3 Attempts

## Final Exam

<b>Due</b> No due date	<b>Points</b> 36	<b>Questions</b> 36	<b>Time Limit</b> None
<b>Allowed Attempts</b> 3			

## Instructions

### Instructions

This Final Exam is a comprehensive assessment covering all 3 topics contained in this course. You will be permitted to take **up to 3 attempts**, with the highest score attempt being kept as your official grade.

On a subsequent course page, you will be given the ability to have your score forwarded to the institution of your choice.

- 36 Questions
- After Each Attempt Student Sees:
  - Number Correct
  - Time Spent

5

### Last Attempt Details:

<b>Time:</b>	less than 1 minute
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<b>Current Score:</b>	3 out of 36
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<b>Kept Score:</b>	3 out of 36
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# School Receive Completion Data via Email

## Performance: Final Exam Data

Overall Performance			
	Percent Correct	Total Correct	Total Possible
Attempt 1	58%	21	36
Attempt 2	69%	25	36
Attempt 3	89%	32	36

Topic Performance by Attempt			
	Percent Correct	Total Correct	Total Possible
Attempt 1			
Topic 1: Descriptive Statistics	75%	12	16
Topic 2: Randomization	63%	5	8
Topic 3: Probability Theory	67%	8	12

Activity Summary by Attempt	
Attempt 1	
Number of Sessions	1
Total Time (Hours)	1.3
Average Session Time (in Hours)	1.3
Submission Date/Time Stamp	Feb 2, 2022 09:15 EST
Attempt 2	
Number of Sessions	3
Total Time (Hours)	1.4
Average Session Time (in Hours)	0.47
Submission Date/Time Stamp	Feb 4, 2022 20:35 EST
Attempt 3	
Number of Sessions	6
Total Time (Hours)	2.8
Average Session Time (in Hours)	0.47
Submission Date/Time Stamp	Feb 18, 2022 12:09 EST

# Courses available individually or as bundle

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Statistics Fundamentals	Accounting Fundamentals	Finance Fundamentals
\$99	\$99	\$99
\$199 (Buy two courses and get one FREE!)		

Bulk discounts are available



Questions?

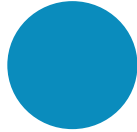
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## Contact Us

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gmac.com](mailto:GMACbusinessfundamentals@gmac.com)



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Candidate facing:  
[Mba.com/businessfund  
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THANK  
YOU