



FIN 605: FINANCIAL MANAGEMENT Fall 2017 Course Syllabus

Instructor:	Anne Drougas	Telephone:	(708) 524-6938
Email:	adrougas@dom.edu	Office:	Fine Arts 219
Office Hours:	W 4:00pm – 6:00pm And by appointment	Canvas:	http://canvas.dom.edu
Prerequisite:	FIN 506	IT Help	(708) 524-6888

Course Rationale: This course builds on the introductory tools and concepts developed in the MBA finance foundation course. As an MBA student, you understand that managers should take actions to increase the intrinsic value of their firm or organization. Whether you intend to enter a career in marketing, health care, or to sit for the CPA or CFA exams, the goal is to help you develop a toolkit to assess your firm's financial health. Learning objectives within each module are tied to professional competency requirements for those interested in financial competency exams. Additional practice problems, entitled CFA/CPA preparation, are available to those who wish to pursue those examinations.

Course Description: This course presents students with an overview of advanced topics in financial management with particular emphasis on stock valuation, project valuation, capital structure decisions, and corporate valuation and governance. Finance is a challenging, dynamic profession rooted in accounting and economics. As you know, most financial transactions, mergers, acquisitions, and spinoffs are orchestrated by a firm's CFO. Without a good foundation in advanced financial topics, it is unlikely that such projects can be undertaken with success. Second, a financial manager is responsible for not only what investments a firm should make but how to pay for those investments over time. A series of spreadsheet-based valuation exercises are used to develop firm values using basic financial data for large corporations.

Texts and Readings: Students may not rent the text. Please purchase via Canvas.

1. **Required:** Brigham & Ehrhardt, Financial Management: Theory & Practice (15th), Cengage (2016)
2. **Required:** BA II Plus Financial Calculator

Brennan School of Business Mission

According to our mission, the Brennan School of Business provides experiential business education at the undergraduate, graduate, and executive levels. Our faculty members prepare students to advance their careers by combining both theory and practice within and beyond the classroom. Guided by the University's core values of *Caritas et Veritas*, we develop ethically-minded leaders who create sustainable value for businesses and communities in a global society. We aspire for our students to become the innovative leaders in business education.

1. Appreciate the **ethical** foundation of effective long-run business decisions and promote social responsibility and ethical leadership in managerial decision-making. In this course, students will also explore finance during the great recession of 2007-2008 and the factors which led to this recession.
2. **Communicate** effectively in written and verbal formats. This course focuses on the not only the derivation of the numbers but on effectively communicating what the numbers mean. Throughout this course, students will learn how to interpret financial statement ratios and present values in everyday language (e.g., tables, graphs, and in words).
3. Utilize **technology** and electronic learning to address business applications. Each chapter requires the use of the financial calculator and Excel to address business problems. The financial calculator selected is the currently required calculator for the CFA exam. The 2017 CPA exam now requires Microsoft Excel.
4. Utilize quantitative and analytical methods as well as **critical thinking** skills in business applications. In this course, students will analyze cases and participate in group learning exercises to assess financial problems via mini-cases.
5. Utilize a **global perspective** in the evaluation of contemporary business issues. Mini-cases and exercises present the tools used within multinational corporations to address business problems, including multinational working capital management and an overview of the functions of financial institutions.

Course Objectives:

The primary objective of this course is to build a basic finance foundation for professional career development. Upon successful completion of this course, a student will be able to:

1. Apply financial management tools (e.g., time value of money, bond/stock valuation, risk/return applications) to current issues in finance using Excel.
2. Identify, measure, and differentiate between types of investments risks including systematic, credit risk, inflation risk, operating and financial risk, reinvestment rate risk, and exchange-rate risk in a client's portfolio.
3. Calculate NPV and IRR and be able to apply the techniques to financial valuation problems.
4. Apply valuation techniques (e.g., discounted cash flow, market multiple analyses) to analyze advanced financial topics (e.g., mergers, divestitures, leverage buyouts).
5. Analyze the effects of a change in capital structure and dividend policy on the value of a firm.

Course Grading:

Your grade will consist of the following components

Item	Points
Canvas Readings & Homework	200
In Class Activities (10 @ 10 points each)	100
Midterm Exam	200
Spreadsheet Exercises (2 @ 75 points each)	150
Final Exam	200
<u>Cases</u>	<u>50</u>
Total Points	1000

Grade	Percentage
A	94 -100
A-	90-93.9
B+	87-89.9
B	83-86.9
B-	80-82.9
C+	77-79.9
C	73-76.9
C-	70-72.9

How is this Course Organized? The first class period will begin with covering the first chapter of the text and a review of basic math. Student-friendly videos will be available on Canvas, in addition to instructor help, to assist you through this course. Each class period is designed as follows:

1. Brief introduction of the class coverage. While the first course has a longer introduction and a syllabi review, the first 40% of the class will be spent covering key material with many practice problems. Students are encouraged to save their work in a binder or online for future reference in other classes.
2. The remaining 60% of the class will be spent working in teams on activities, practice problems, and cases with the instructor assisting you. Students will be expected to present answers at the board, as a team, or make a brief presentation at the end of the class on their findings.

Canvas Readings & Homework Assignments

Brennan faculty want students to succeed. To ensure students are prepared for class, students are expected to complete readings and complete a short Canvas pre-assignment. Homework will consist of definitions, key concepts and reflect “how to” problems which demonstrate financial applications in real world settings. The pre-assignment only tests basic ideas and helps the instructor determine whether students are having difficulty with material prior to class. To receive a grade for assignment, students should complete the short assignment *prior to* coming to class. Students have unlimited attempts at the pre-assignment before class starts. As part of the pre-assignment, students are expected to find a financial topic in the *Wall Street Journal* or *Barron’s* or another reputable financial newspaper, and write a 1 page summary on their findings (standard margins, 12 Point Times New Roman font, single-spaced within paragraphs, double-spaced between paragraphs). Late assignments will only be accepted with prior instructor consent.

Homework

After each class session, students are expected to complete a short practice assignment set via Canvas. This assignment may consist of a short case and practice problems. The purpose of the post-work is to assess whether students understand the material.

In Class Activities

During each class, students will work in teams, and with the instructor, to solve finance problems in practical, business settings. In-class activities, cases, and group learning exercises help students learn from each other and prepare students for future classes. These exercises introduce variety – and fun – into discussions. Students will have the ability to practice, practice, and practice! Late activities and mini-cases will only be accepted with prior instructor consent.

Exam

The exam is cumulative and the homework and pre-work are excellent ways to prepare for this exam. It will include multiple choice questions, applications, and short essays.

Assurance of Learning (“AOL” Assignments)

AACSB requires faculty members to administer assurance of learning (AOL) assignments to assess student performance. The AOL Project designated for this course requires students to:

1. Assess a firm's financial strength using financial ratios and valuation metrics
2. Evaluate whether external capital markets are likely to view a firm positively

In accordance with these guidelines, this project must contain two pieces.

1. Using the prerequisite course material, students will perform a financial ratio analysis for their designated company. Students will be introduced to Value Line, Mergent Online, and Morningstar in order to compile analyst reports and financial statement analysis.
2. Using their aforementioned firms, students will work individually in designing, analyzing, and presenting a valuation model, assessing how debt impacts the firm's value, WACC, operating income, and net income specifically.

Specific guidelines will be posted on Canvas.

Course Grading & Planner

Date	Content	What's Due
Week 1 August 30 th	Introduction to Financial Management & Review of TVM	
Week 2 Sept 6 th	Bond Valuation	Canvas HW #1 Complete Intro. Module
Week 3 Sept 13 th	Risk and Corporate Valuation (Chapter 6 and 7)	Canvas HW #2
Week 4 Sept. 20 th	Cost of Capital (Chapter 9)	Canvas HW #3
Week 5 Sept. 27 th	Capital Budgeting (Chapter 10)	Canvas HW #4
Week 6 Oct. 4 th	Cash Flow and Risk Analysis (Chapter 11)	Canvas HW #5
Week 7 Oct. 11 th	Forecasting Financials (Chapter 12)	Spreadsheet #1
Week 8 Oct. 18 th	Midterm Exam	
Week 9 Oct. 25 th	Corporate Governance (Chapter 13)	Canvas HW #6
Week 10 Nov. 1 st	Dividends and Repurchases (Chapter 14)	Canvas HW #7

Week 11 Nov. 8 th	Capital Structure and Leverage (Chapter 15)	Canvas HW #8
Week 12 Nov. 15 th	Multinational Financial Management (Chapter 17)	Canvas HW #9
Week 13 Nov. 29 th	Initial Public Offerings (Chapter 18)	Canvas HW #10
Week 14 Dec. 6 th	Mergers and Corporate Control (Chapter 22)	Spreadsheet #2
Week 15 Dec. 13 th	Final Exam Wednesday, 6:30pm – 9:00pm	

How to Succeed in Financial Management

Many students are nervous about studying finance. Some may be worried about completing basic math requirements years ago. Others may be worried about Excel and technology skills. Couple that with online lectures and it is easy to see why students approach this course with trepidation. Don't panic!

This course is organized to help you succeed. In order to be successful:

1. Read each chapter and do the homework slowly and on time.
2. Take notes on points you do not understand or that you want clarified.
3. Watch the lecture videos and try to replicate the problems demonstrated in those videos.
4. Think about the business application each video is highlighting.
5. Attend discussion sessions and be on time to participate in the learning exercises.
6. Keep a positive attitude, take an active role in learning finance, and relate what you are learning to your daily life experiences.
7. Ask for help!

Email and Technology

It is the student's responsibility to check his/her email regularly. The instructor strongly encourages communication via e-mail, especially when the student is having difficulty answering a question or solving an exercise or a problem. In order to help each student effectively, it is important to provide as much information as possible concerning the difficulty with the assignment. Students are encouraged to bring their laptops or tablets to engage in interactive exercises. All software is available via Dominican's Remote Server. Students should attempt to access the server prior to the start of the semester.

Suggestions for Success in the MBA Core Finance Course

Although the responsibility for learning rests upon the student, I am always available and provide We all have heard how difficult it is for individuals to take control of their finances and how many individuals are not prepared for retirement. Understanding financial statements and best practices for investment seem very daunting. Many students are nervous about studying mastering the financial calculator. Although the responsibility for learning rests upon the student, all Brennan faculty are always available to provide assistance. This instructor is no exception! Don't panic! This course is organized to help you succeed. In order to be successful:

1. **Do the Pre-Work:** Read each chapter and do the homework slowly and on time. Block out 4-6 weekly hours in your calendar now, and do not schedule other appointments during your scheduled study time.
2. **Careful Studying:** Studying requires more than reading. Studying requires highlighting, margin notes, margin questions, review of lesson notes, and review of text material.

- Conscientious preparation of all written assignments is paramount to a successful experience. Take notes on points you do not understand or that you want clarified. Study in a quiet space.
3. **Practice, Practice, Practice:** Watch the lecture videos and participate in class and try to replicate those problems.
 4. **Email:** Students must have a working email address, available to send and receive messages. Students must check their email on a regular basis, as this is one of our main forms of sending important messages concerning due dates, grades, assignments, etc.
 5. **Due Dates:** Course material is broken into weekly segments. All assignments must be submitted each week by the due dates designated. Don't fall behind. Late assignments will not be accepted. If your classmates can work towards a deadline, you can too! That being said, in the event of a tragedy (e.g., loss of parent or spouse), documentation will be required.
 6. **Speak and Listen:** Participate in class discussions with your classmates but do not monopolize the conversation. Allow everyone to speak and do so respectfully.
 7. **Attitude:** Keep a positive attitude, take an active role in learning finance, and relate what you are learning to your daily life experiences.
 8. **Assistance:** Ask for help but not fifteen minutes before class. Try to practice time management and work on assignments in advance. That way, we can recognize issues as they arise and deal with those issues quickly.
 9. **Attendance:** In-class assignments are the way to gauge for attendance. Missing one class is missing a lot of material. Please try to attend all classes.
 10. **Small Details and the Big Picture:** Five weeks will be over quickly. Do your best to understand the big picture as well as how the details contribute to that big picture.

Academic Integrity

All University policies are in effect as described in the Academic Dishonesty/Misconduct section of the current catalog. Presenting as one's own the words, ideas, or expression of another in any form is cheating through plagiarism.

1. If you are unsure what constitutes plagiarism, review the rules of original writing at the following web site: <http://owl.english.purdue.edu/>. This link provides valuable information, including examples about plagiarism.
2. To review some plagiarism tools available to students, take a look at Turnitin.com for guidance. This is posted on Canvas. Remember to always cite your sources and ask your instructor for help!
3. Here are two sites that may be of interest: <http://www.indiana.edu/~istd> and <http://www.plagiarism.com>.

Accommodations

If you require, or think you may require special accommodations for a condition or disability (e.g., learning disability, a chronic health problem, or a mental health condition), you are encouraged to arrange support services and/or accommodations through our Academic Enrichment Center and Disabilities Services staff. It is the policy and practice of Dominican University to make reasonable accommodations for students with properly documented disabilities. Written notification to Dominica's Disability Service staff is required. If you are eligible to receive an accommodation and would like to request it for this course, please discuss it with me within the first week of this course.