



FIN 506: Foundations in Finance Summer 2017 Course Syllabus

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Office Hours:	MW (4:30pm – 6:00pm)	Canvas:	http://canvas.dom.edu
Prerequisites:	ACCT 503 required	IT Help:	(708) 524.6888

Wednesday: July 5th Start

Course Rationale: This course is designed to help build basic financial management knowledge for students who have never completed an undergraduate finance course or who did not major in business. Non-finance students often wonder why they need to learn finance. All students, at some point, will need to invest their earnings and will need to determine how to make sound investment decisions. In this course, we emphasize the basic tools of finance. Whether you intend to enter a career in marketing or to sit for the CPA or CFA exams, the goal is to introduce you to a new way of thinking about finance, and to help you gain an understanding of how to use, communicate, and interpret financial concepts and metrics. This course satisfies the finance background requirement for MBA candidates.

Course Description: The financial crisis of 2008 taught business students that good, fundamental financial strategies are needed. Finance is no longer just about numbers and about quarterly reports. A good, effective financial leadership team is needed to help tell a firm's story using its data. In order for students to get a better sense of finance, this foundation course stresses how a business works and how business generates profits via stressing the fundamentals. If you have never studied finance before, it is amazing how much of finance is simply present value, future value, and understanding the importance of compounding interest. While emphasizing analytical tools and their use in solving financial problems, this course also introduces students to the business environment in which financial decision makers function. Upon successful completion of this course, students should understand the structure of financial markets; basic time value of money concepts, bond valuation, and preliminary project valuation.

Textbook and Required Calculator

This semester, FIN 506 and the core MBA class (FIN 605) are requiring the following text with 2 purchasing options.

1. Brigham & Ehrhardt, Financial Management: Theory & Practice (15th Ed.), Cengage (2016) (This book is also required for FIN 605: Financial Management)
 - LMS Integrated for MindTap, **2 terms** (12 months) Printed Access Card (includes eBook) → ISBN: 9781305632516
 - **Bundle:** Brigham/Ehrhardt - Financial Management: Theory and Practice, Loose-leaf Version, 15th Edition + LMS Integrated for MindTap, 2 terms (12 months) Printed Access Card → ISBN: 9781337130370
2. BA II Plus Financial Calculator (required)

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 objectives of this course are to build a basic finance foundation for professional career development and to provide preparation for future MBA course. Upon successful completion of this course, a student will be able to

1. Demonstrate a general understanding of financial terms, concepts and the structure of financial markets.
2. Explain the relevance of shareholder maximization and intrinsic price valuation.
3. Critically assess the net working capital position and cash flow cycle of a firm.
4. Practice ethical decision making when evaluating financial statements and implementing time value of money principles.
5. Apply time value of money analysis to corporate financial decisions and make recommendations based upon those decisions.

Course Grading:

Your grade will consist of the following components

Item	Points
Canvas Readings & WSJ Articles (4 @ 10 pts)	40
In Class Activities (5 @ 10 pts)	50
Homework (3 @ 10 pts)	30
<u>Exam</u>	<u>80</u>
Total Points	200

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 & Wall Street Journal Articles (Pre-Work)

Brennan faculty want students to succeed. To ensure students are prepared for class, students are expected to complete readings and complete a short pre-assignment. The first pre-assignment consists of a short tutorial on basic math applications (e.g., how to solve a basic equation) and basic Excel commands.

Remaining pre-assignments 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.

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.

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.

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. It will be delivered on Canvas and is a timed exam.

Course Grading & Planner

Course Planner	Assignments
Introduction to Finance Chapter 1 Topic: Identifying the “big picture” of finance. This includes an overview of financial markets in which corporations operate in addition to potential careers in finance and accounting. Capital markets, investments, jobs in finance, forms of business organizations, balancing shareholder value, intrinsic value, executive compensation, business ethics, managerial conflicts, stock market efficiency.	In Class Assignment #1 Prepare WSJ Article & Canvas Reading #1 for next week
Understanding Financial Statements Select Topics from Chapters 2 & 3 Topic: In this module, we build on the foundations in accounting course. We review important metrics such as free cash flow, market value added (MVA), economic value added (EVA), operating cash flow, net cash flow, and basic ratio analysis. Mini Case: Assessing mystery financials (identify the firm by investigating trends in cash, accounts receivable, debt, and various ratios).	In Class Assignment #2 Prepare WSJ Article & Canvas Reading #2 for next week Canvas Quiz #1
Net Working Capital Chapter 16 Topic: Students will learn about the sources and uses of cash, cash budget, cash conversion cycles, inventory	In Class Assignment #3 Prepare WSJ Article & Canvas Reading #3 for next week

management, receivables management, commercial paper, use of short-term financing	Canvas Quiz #2
<p>Time Value of Money Chapter 4 Topic: In this module, students learn how the timing of cash flows affect asset values and rates of return. This includes annuities and annual and semiannual compounding.</p> <p>Mini Case Exercise: Irrational Addictions and Financial Literacy: A Time Value of Money Exercise</p>	<p>In Class Assignment #4</p> <p>Prepare WSJ Article & Canvas Reading #4 for next week</p> <p>Canvas Quiz #3</p>
<p>Valuation Chapter 4, Select topics from Chapter 10 Topic: Building on time value of money, we will assess uneven cash flows (present value and future value), semi-annual compounding, APRs, and loan amortization, basic net present value and internal rate of return.</p> <p>Mini Case: Loan Amortization and Goal Seek: Renting versus Owning</p>	<p>In Class Assignment #5</p> <p>Exam</p>

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.

How to Succeed in a Five-Week Foundations in Finance Course

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. Couple that with five weeks of intensity, it is easy to see why students approach this course with trepidation. 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.