



LINCOLN UNIVERSITY

Course Title: Fundamentals of Finance

Course No. BA 140

Units: 3

Class Hours: 45 contact hours plus 45 self-directed research hours

Semester: Spring 2016

Instructor: Marshall J. Burak

Contact: mburak@lincolnuca.edu

Office Hours: Wed. 10am-Noon

Textbook: Required

Fundamentals of Financial Management, Concise 8th Ed., Brigham & Houston, Cengage Learning/SouthWestern Publishing, 2015, ISBN No. 978-1-285-065137

Course Description:

Catalog Description

BA 140 – Fundamentals of Finance

Introduction to the financial management of a company. The course includes the study of the financial system, source of funds, different sectors of the economy affecting the business organization and adjustments to changes in capital structure, use of financial statements, planning and forecasting. *Prerequisite: BA 10 or equivalent*

COURSE DESCRIPTION

FINANCE

In spite of what you may have heard Finance is not a dull, lifeless, conservative white shirt and tie environment. Rather, it is an extremely important and dynamic aspect of every corporation's existence. And Finance, like all fields in business, has its share of experts, hard-working practitioners, incompetents, swindlers and magicians.

Learning Objectives:

This course will focus on the corporation and its internal and external financial environment and relationships. A good deal of time will be spent on analytical and evaluative techniques that, when applied to the firm, yield useful information for decision-making purposes. The firm will also be studied in terms of its capital structure and the influence this can have on cost of capital and investment decisions. This analysis will be extended to incorporate the influence of financial market characteristics and conditions on financial decision-making. Finally, the firm will be viewed as a totality stressing the importance of integrating financial policy and strategy with plans for growth and/or diversification.

Methodology:

GENERAL INSTRUCTIONS

This course emphasizes a realistic look at how moderate to very large size firms are financially managed. The approach includes an appraisal of the strengths and weaknesses of the financial techniques and methods employed in the management process. To meet this objective, most of the course discussion and explanation will be based on an examination of text material and illustrative examples drawn from real corporate experience. The assigned textbook is to be considered a basic resource providing a presentation and explanation of financial concepts, management techniques, and analytical measurement. The assigned textbook readings parallel case assignments and class discussion topics. It is important that both the reading and case assignments are completed in preparation for productive class discussions. Problems assigned at the end of each text chapter provide practice in the application of financial tools to analyze business strengths and weaknesses, performance and opportunities for improvement.

READING AND PROBLEM ASSIGNMENTS

Reading assignments from the text, *Fundamentals of Financial Management*, provide background concepts and analytical tools useful in evaluating assigned cases.

Case assignments are used primarily for purposes of providing practice in the application of financial analytical tools and techniques to business situations and the development of useful information for consideration in management decision-making.

Problem assignments enable the development of a more clear understanding of the application of financial and analytical tools and techniques.

Standards:

Students are expected to attend each class meeting and be prepared to discuss the assigned text; problems and case materials. Students who come to class late will not be admitted until the break period. Every member of the class is expected to participate in discussions surrounding the assigned chapter and case content.

Tests are problem based and students will need to show their work in addition to selecting their answer from five listed possible solutions. Students may use their class notes and text books during the exams. Students are not allowed to use cell phones during the exam and are required to do their own work in answering the exam questions. Laptops are not allowed during exams unless your text book is in an e-form and/or your notes and access to problem solutions require its use.

Note: Students will need to use a financial calculator or excel in order to solve many of the assigned and exam problems.

Testing and Grading:

EXAMINATIONS AND GRADING

A. Examinations will be designed to test for: 1) knowledge of financial analytical techniques, and 2) the ability to recognize the appropriate application of these techniques to real or simulated business situations.

B. Basis for Grading:

Participation	15%*
Pop Quizzes	20%
Mid-term examination	25%
Final examination	<u>40%</u>
	100%

*Based on class discussion

Classroom Protocol:

Students are expected to be on-time for scheduled class meetings and to stay for the entire class period. Eating is not allowed in the classroom. The use of cell phones is prohibited unless the student has downloaded a financial calculator on their phone. Laptops are allowed in class, however, surfing the internet is not permitted.

Students are expected to have read the assigned chapters and attempted to solve the assigned chapter problems in preparation for each class meeting

Schedule:

Course Outline and Assignments

<u>Date/Day/Time</u>	<u>Topic</u>	<u>Reading & Case Assignments</u>
Part I Overview of Financial Management		
Jan 20, Wed. 12:30-3:15pm	The Financial Environment Financial Markets and Institutions	Text: Chapters 1 & 2
Part II Fundamental Concepts in Financial Management		
Jan. 27, Wed. 12:30-3:15pm	Financial Statements, Cash Flow, and Taxes Analysis of Financial Statements	Text: Chapters 3 & 4 Case: Seal Best Dairy (Handout)
Feb. 3, Wed. 12:30-3:15pm	Time Value of Money	Text: Chapter 5
Part III Financial Assets		
Feb. 10, Wed. 12:30-3:15pm	Bonds and Their Valuation	Text: Chapter 7
Feb. 17, Wed. 12:30-3:15pm	Risk and Rates of Return Stocks and Their Valuation	Text: Chapters 8 & 9

Part IV
Investing in Long-Term Assets: Capital Budgeting

Feb. 24, Wed. 12:30-3:15pm	The Cost of Capital The Basics of Capital Budgeting	Text: Chapters 10 & 11
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**Mar. 2, Wed.
12:30-3:15pm** **Mid-Term Exam – Chapters 3, 4, 5, 7, 8 & 9**

Mar. 9, Wed. 12:30-3:15pm	Cash Flow Estimation and Risk Analysis	Text: Chapter 12
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Mar. 16, Wed. **No Class Meeting—Spring Break**

Part V
Capital Structure and Dividend Policy

Mar. 23, Wed. 12:30-3:15pm	Capital Structure and Leverage	Text: Chapters 13
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Part VI
Working Capital Management, Financial Planning and Forecasting

Mar. 30, Wed. 12:30-3:15pm	Distributions to Shareholders: Dividends and Share Repurchases Team Research Report Workshop	Text: Chapter 14
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April 6, Wed. 12:30-3:15pm	Working Capital Management	Text: Chapter 15
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April 13, Wed. 12:30-3:15pm	Financial Planning and Forecasting	Text: Chapter 16
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April 20, Wed.	Financial Planning and Forecasting (continued) Consultation with student Project Teams	
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April 27, Wed.	International Finance	Text: Chapter 17
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12:30-3:15pm

Course Review and Questions

**May 4, Wed.
12:30-3:15pm**

Final Exam (Includes all chapters except 1,2, 6 and 14)

Chapter Problem Assignments

Chapter 3: 3-1 through 3-9, 3-11, 3-12, 3-13, 3-14

Chapter 4: 4-1 through 4-16, 4-18, 4-19, 4-20, 4-21, 4-23

Chapter 5: 5-1 through 5-12, 5-14, 5-15, 5-17, 5-18, 5-20, 5-26, 5-27

Chapter 6: 6-2 through 6-6, 6-9, 6-10, 6-17

Chapter 7: 7-1 through 7-12, 7-15, 7-16, 7-17, 7-18

Chapter 8: 8-1 through 8-7, 8-9, 8-10, 8-12, 8-13, 8-14, 8-16, 8-19

Chapter 9: 9-1 through 9-10, 9-12, 9-15, 9-17, 9-19, 9-20

Chapter 10: 10-1 through 10-11, 10-13, 10-15, 10-17, 10-18, 10-19

Chapter 11: 11-1 through 11-8, 11-10, 11-12, 11-13, 11-14, 11-22

Chapter 12: 12-1 through 12-8, 12-10, 12-13, 12-17, 12-18

Chapter 13: 13-1 through 13-6, 13-8, 13-9, 13-11, 13-13

Chapter 14: 14-1 through 14-7

Chapter 15: 15-1 through 15-10

Chapter 16: 16-1 through 16-14

Chapter 17: 17-1 through 17-17

Update:

Updated January 1, 2016