



LINCOLN UNIVERSITY

Course Title: Finance Management

Course No. BA 303

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 303 – Finance Management

A consideration of financial control at the corporate management level with special emphasis on the policies and practices required to place and control the sources and uses of capital. Emphasis will be placed on capital management and evaluation of alternative opportunities. Also examined are such matters as valuation, cash flow, funds acquisition, long-term financing and budgets as tools for decision-making. *Prerequisite – BA 45*

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.

Project:

COMPREHENSIVE PROJECT

Successful completion of this course requires an in-depth analysis of a business case including an analysis of the company's financial condition; analysis of its strengths and weaknesses; and, a detailed plan for improving the company's financial health, performance and profitability. Teams will be formed and each team will be assigned a different case for their project. At the beginning of this course instructions will be provided related to this assignment including development of the case analysis, assessment of the company's financial condition and performance, formation of a set of recommendations and the submission of a completed team project report. Time will be set aside during some class meetings to consult with and support each team as they undertake their project assignment. The final team project report will be due to me by Wednesday, May 4, 2016 and is to be submitted in hard copy.

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:

Pop Quizzes	10%
Mid-term examination	25%
Final examination	40%
Comprehensive Project	<u>25%</u>
	100%

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>
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Part I Overview of Financial Management

Jan 20, Wed. 12:30-3:15pm	The Financial Environment Financial Markets and Institutions	Text: Chapters 1 & 2
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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
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
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. 12:30-3:15pm	International Finance Course Review and Questions	Text: Chapter 17
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May 4, Wed. 12:30-3:15pm	Final Exam (Includes all chapters except 1,2, 6 and 14)	
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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