



Lincoln University

BA 303 – Finance Management

COURSE SYLLABUS Spring, 2018

Instructor:	Prof. Daniel Sevall
Lecture Schedule:	Thursday, 6:30 PM – 9:15 PM
Credits:	3 units / 45 lecture hours
Level:	Mastery 1 (M1)
Office Hours:	Tuesdays at 11:30 to 12:30; Wednesdays at 2:30-3:30 e-mail: dsevall@lincolnuca.edu Phone: 650-380-0518
Textbooks:	Brigham, Eugene F. and Ehrhardt, Michael. <i>Financial Management: Theory and Practice, 14th Edition</i> . (2014) Thomson/Southwestern. Earlier editions of this course text are acceptable for students to use.
Last Revision:	January 13, 2018

COURSE DESCRIPTION

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. (3 units)

EDUCATIONAL OBJECTIVES

The course covers the finance cycle in an organization from its inception to operations and possible mergers and reorganizations. Finance is concerned with determining value – what is something worth, and how one makes the best decisions for increasing value. So this course builds from financial accounting, which uses historical data. Problems of financing an organization, maintaining liquidity and profitability, and making investment and capital budget decisions are discussed in-depth.

The course stresses the importance of data analysis and its use in problem solving and decision-making. Methods for comparing costs and benefits are discussed in selecting among options available. Cost saving techniques in the management of cash, receivables, and inventories are reviewed. In a broad sense, the course enables the student to relate to the functions of the financial officer in playing a key role in carrying out the objectives of an organization.

COURSE LEARNING OUTCOMES¹

	Course LO	Program LO	Institutional LO	Assessment Activities
1	Enable students to read, understand, and analyze financial statements; review the importance of the cash flow statement	PLO 1	ILO 1b, ILO 2b	Case Analyses, and Final Cumulative Assessment
2	Assimilate time value concepts to calculate an array of financial problems (i.e. amortization schedules, present value calculations, annuity and perpetuity comparisons); study how interest rates are used in discounting future values; provide an understanding of the nature of risk and its effect on rates of return	PLO 2	ILO 1b, ILO 2b, ILO 4b	Case Analyses, and Final Cumulative Assessment
3	Use the concepts of Net Present Value and Internal Rate of Return to gain a fuller appreciation of capital budgeting and their use in selection of projects; integrate Discounted Cash Flow techniques for valuation purposes.	PLO 3	ILO 2b, ILO 7b	Case Analyses, and Final Cumulative Assessment

ACADEMIC HONESTY, PLAGIARISM POLICIES AND PROCEDURES

Lincoln University intends to be a community of educators and learners with shared values. Accordingly, Lincoln expects the highest standards of honesty and integrity from all members of the academic community.

What is considered academic dishonesty? It is generally taking credit for work which is not your own or attempting to receive credit or improve a grade through fraudulent or deceptive means. Examples include taking information from or providing information to another student, or plagiarism (the intentionally or knowingly representing the word or ideas of another as one's own in any academic exercise).

What is Plagiarism? Whenever you quote from, make reference to, or use ideas attributable to others in your writing, you must identify these sources in citations or bibliography, or both. If you do not, deliberately or accidentally, you have committed plagiarism. Plagiarism, defined as the act of stealing or using as one's own the ideas of another, is not permitted in college or university work or in any published writing. "Plagiarism may take the form of repeating another's sentences as your own, adopting a particular apt phrase as your own, paraphrasing someone else's argument as though it were your own." (Modern Language Association Handbook, New York: MLA, 1977, P.4). The sanctions for plagiarism range from reprimands and counseling to expulsion from the University. The appropriate sanction is determined by the University Committee on Academic Dishonesty. The University faculty may use internet-based services to identify those portions of student written assignments that might not meet the full standards of academic integrity as defined in this statement.

¹ Detailed description of learning outcomes and information about the assessment procedure are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

COURSE REQUIREMENTS

This is a direct classroom instruction course.

Assignments and projects require students to actively use resources of the library. Detailed guide to business *resources of the library* as well as the description of Lincoln University approach to *information literacy* are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

1. Textbook Assignments

Students should read all assignments and be prepared to discuss the material covered. Assigned problems should be worked out in advance as a basis for review in class. Students should pinpoint major concepts and procedures in each chapter, understand their meaning and application, and raise questions in class on areas of complexity or ambiguity. Study in teams is recommended both to accelerate the learning process and to obtain feedback on individual interpretations. Homework may be collected for purposes of extra credit.

2. Team Projects/Cases

Through the completion of selected end of chapter cases, each student will show the application of concepts covered in the course, such as study of annual reports, ratio and other analysis including comparison with other companies, and bond and stock valuation. Students are encouraged to work in teams, and each team will select a topic. Grades will be based on content, innovative ideas, and presentation. Instructors may require students to make an oral presentation in class based on their paper.

3. Quizzes and Final Exam

Tests will be given at the end of the third and sixth sessions, and an examination during the final session. The purpose of these tests is to evaluate the student's understanding of the concepts and how to apply them. This includes learning how to perform the calculations and use the techniques that are an integral part of a course in finance. The tests also serve to let the student know how he or she is doing and what areas need further emphasis.

Evaluation Criteria

Midterm Exam	25%
Attendance and Class Participation	15%
Case Analyses	20%
Final	40%

Total	100%

Letter grades will be given based on the following scaling:

- A 90 - 100
- B 80 - 89
- C 70 - 79
- D 60 - 69
- F 0 - 59

COURSE SCHEDULE

Class Sessions 1-4	<p>Chapter 1 (Overview)</p> <p>Chapter 2 (Time Value of Money)</p> <p>Chapter 3 (Financial Statements, Cash Flow and Analysis)</p> <p>Chapter 4 (Analysis of Financial Statements)</p>	<p><u>Questions 1-4</u></p> <p>Problems Homework 2-3, 2-5 (work 2-29 and 2-34 in class; extra credit to anyone who presents in-class)</p> <p>Problem 3-3, 3-4</p> <p>P 4-6 thru 4-10, & 4-11 in class</p> <p>Dell Case Analysis</p>
Class Sessions 5-8	<p>Chapter 5 (Bond Valuation)</p> <p>Chapter 6 (CAPM)</p> <p>Chapter 7 (Portfolio Theory—skim and discuss in class)</p> <p>Chapter 8 (Stock Valuation)</p> <p>Chapter 9 (Financial Options)</p>	<p>P 5-1, 5-2, 5-7, 5-14 (and 5-22 in-class)</p> <p>P 6-1, 6-2, 6-6, 6-7</p> <p>P 8-1 thru 8-3</p> <p>P 9-1 thru 9-3, and 9-5</p> <p>Mini-Case: Chapter 5</p>
Class Sessions 9-12	<p>Chapter 10 (The Cost of Capital)</p> <p>Chapter 11 (The Basics of Capital Budgeting)</p> <p>Chapter 13 (Real Options)</p> <p>Chapter 14 (Financial Planning and Forecasting Financial Statements)</p> <p>Chapter 15 (Corporate Valuation, Value-Based Management and Corporate Governance)</p>	<p>P 10-1 thru 10-5; 10-17 in class</p> <p>P 11-9 and 11-12</p> <p>P 13-1 and 13-2</p> <p>P 14-1 and 14-7</p> <p>P 15-7, 15-8, and 15-9</p> <p>Netflix Valuation Case</p>

Class Sessions 13-14	Chapter 16 (Capital Structure Decisions) Chapter 18 (Distributions to Shareholders) Chapter 19 (Initial Public Offerings) Chapter 20 (Lease Financing) Chapter 21 (skim) Chapter 22 (Working Capital Management)	P 16-1, 18-1, 18-7, 19-1 16-10 and 19-4: Work in class Problems 20-1, 21-1, 21-4 Problems 20-4, 21-5 in class Mini-Case : Chapter 20
	<u>Course Review and Final Exam</u>	