



LINCOLN UNIVERSITY

FINANCIAL MANAGEMENT (BA 303)

Fall, 2009

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CATALOGUE DESCRIPTION

BA 303 – Financial 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. (3 units)

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



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stressing the importance of integrating financial policy and strategy with plans for growth and/or diversification.

COURSE INSTRUCTIONS

I. 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.

II. 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.

III. 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



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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 my course visit to consult with and support each team as they undertake their project assignment. The final team project report will be due to me by September 30, 2008 and may be submitted either in hard copy by mail or in electronic form by e-mail.

IV. 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

1 st Mid-term examination	25%
2 nd Mid-term examination	25%
Final examination	30 %
Comprehensive Project	<u>20%</u>
	100%

READING LIST FOR BA 303 – FINANCIAL MANAGEMENT

Required Texts:

Brigham and Houston, Fundamentals of Financial Management, Twelfth Edition, Thomson/SouthWestern Publishing, 2009, ISBN 978-0-324-59770-7



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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 Analysis, Planning and Control

Aug. 26, Wed. 12:30-3:15pm	Introduction to Finance Financial Markets & Institutions	Text: Chapters 1 & 2
Sept. 2 Wed. 12:30-3:15pm	Financial Statements, Cash Flow, and Taxes	Text: Chapters 3 Case: Seal Best Dairy (Handout)
Sept. 9, Wed. 12:30-3:15pm	Analysis of Financial Statements	Text: Chapters 4

Part II

Short-Term Financial Management

Sept. 16, Wed. 12:30-3:15pm	Working Capital Mgmt.	Text: Chapter 16
Sept. 23, Wed. 12:30-3:15pm	Financial Planning and Forecasting	Text: Chapter 17 Case: ExpertSystems, Inc. (Handout)
Sept. 30, Wed. 12:30-3:15pm	First Mid-Term Exam (Chapters 1-4, 16 & 17)	



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Part III Financial Assets

Oct. 7, Wed. 12:30-3:15pm	The Time Value of Money Interest Rates	Text: Chapters 5 & 6
Oct. 14, Wed. 12:15-3:15pm	Bonds and Their Valuation Risk and Rates of Return	Text: Chapters 7 & 8
Oct. 21, Wed. 12:15-3:15pm	Stocks and Their Valuation	Text: Chapter 9

Part IV Investing In Long-Term Assets: Capital Budgeting

Oct 28, Wed. 12:15-3:15pm	Cost of Capital	Text: Chapter 10 Case: Telecom Svs., Inc. (#5) (Handout)
Nov. 4, Wed. 12:15-3:15pm	The Basics of Capital Budgeting Cash Flow Estimation and Risk Analysis	Text: Chapters 11&12
Nov. 11, Wed.	No Class Meeting-Campus Closed for Veteran's Day Holiday	
Nov. 18, Wed. 12:15-3:15pm	Real Options and Other Topics In Capital Budgeting Capital Structure & Leverage	Text: Chapter 13, 14 Case: Chicago Valve (#11)(Handout)
Nov. 25, Wed.	No Class Meeting-Campus Closed for Thanksgiving Holiday	
Dec. 2, Wed. 12:15-3:15pm	2nd Mid-term Exam (Chapters 6-13)	
Dec. 9, Wed. 12:15-3:15pm	Distributions to Shareholders: Dividends and Share Repurchases Course Review Session	Text: Chapter 15
Dec. 16, Wed.* 12noon-2pm	Final Exam (Comprehensive-All assigned chapters) *Tentative date and time	



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Chapter Problem Assignments

Chapter 3: 3-1 through 3-8, 3-11

Chapter 4: 4-1 through 4-15, 4-18, 4-19, 4-20, 4-22, 4-23

Chapter 5: 5-1 through 5-8, 5-11, 5-12, 5-14, 5-15, 5-18, 5-19, 5-20

Chapter 6: 6-2, 6-3, 6-10

Chapter 7: 7-1 through 7-6, 7-8, 7-9, 7-11, 7-12, 7-16, 7-17

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

Chapter 9: 9-1, 9-2, 9-4, 9-5, 9-7, 9-9, 9-10, 9-11, 9-15, 9-17, 9-19, 9-20

Chapter 10: 10-1 through 10-8, 10-10, 10-11, 10-12, 10-17, 10-18, 10-19

Chapter 11: 11-1 through 11-7, 11-10, 11-12, 11-13, 11-14, 11-22

Chapter 12: 12-1 through 12-6, 12-8, 12-10, 12-12, 12-19, 12-21

Chapter 13: 13-1 through 13-5

Chapter 14: 14-1 through 14-5, 14-7, 14-8, 14-9, 14-11, 14-13

Chapter 15: 15-1 through 15-7

Chapter 16: 16-1 through 16-8, 16-10

Chapter 17: 17-1 through 17-9, 17-12, 17-13, 17-14