



LINCOLN UNIVERSITY

LINCOLN UNIVERSITY MBA PROGRAM

FINANCE MANAGEMENT (BA 303)

Spring 2012

Credit: 3 units = 45 lecture hours

Professor: **Marshall J. Burak**

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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.

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



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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.

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.



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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 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 May 1, 2012 and is to be submitted in hard copy.

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

| | |
|-----------------------|------------|
| Mid-term examination | 30% |
| Final examination | 40% |
| Comprehensive Project | <u>30%</u> |
| | 100% |

READING LIST FOR BA303 – FINANCIAL MANAGEMENT

Required Texts:

Brigham and Houston, Fundamentals of Financial Management, Concise 7th Edition, SouthWestern/Cengage Learning, 2012, ISBN 978-0-538-47711-6



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Course Outline and Assignments

| <u>Date/Day/Time</u> | <u>Topic</u> | <u>Reading & Case Assignments</u> |
|----------------------|--------------|---------------------------------------|
|----------------------|--------------|---------------------------------------|

Part I Overview of Financial Management

| | | |
|-------------------------------|---|----------------------|
| Jan.17, Tues. 12:30-3:15pm | The Financial Environment Financial Markets and Institutions | Text: Chapters 1 & 2 |
|-------------------------------|---|----------------------|

Part II Fundamental Concepts in Financial Management

| | | |
|--------------------------------|---|--|
| Jan. 24, Tues. 12:30-3:15pm | Financial Statements, Cash Flow, and Taxes Analysis of Financial Statements | Text: Chapters 3 & 4 Case: Seal Best Dairy (Handout) |
|--------------------------------|---|--|

| | | |
|--------------------------------|---------------------|-----------------|
| Jan. 31, Tues. 12:30-3:15pm | Time Value of Money | Text: Chapter 5 |
|--------------------------------|---------------------|-----------------|

Part III Financial Assets

| | | |
|-------------------------------|---------------------------|-----------------|
| Feb. 7, Tues. 12:30-3:15pm | Bonds and Their Valuation | Text: Chapter 7 |
|-------------------------------|---------------------------|-----------------|

| | | |
|--------------------------------|--|----------------------|
| Feb. 14, Tues. 12:30-3:15pm | Risk and Rates of Return Stocks and Their Valuation | Text: Chapters 8 & 9 |
|--------------------------------|--|----------------------|



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Part IV

Investing in Long-Term Assets: Capital Budgeting

Feb. 21, Tues. The Cost of Capital Text: Chapters 10 & 11
12:30-3:15pm The Basics of Capital Budgeting

Feb. 28, Tues. **Mid-Term Exam – Chapters 3, 4, 5, 7, 8 & 9**
12:30-3:15pm

Mar. 6, Tues. Cash Flow Estimation and Risk Analysis Text: Chapter 12
12:30-3:15pm

Mar. 13, Tues. **No Class Meeting—Spring Break**

Part V

Capital Structure and Dividend Policy

Mar. 20, Tues. Capital Structure and Leverage Text: Chapters 13
12:30-3:15pm

Part VI

Working Capital Management, Financial Planning and Forecasting

Mar. 27, Tues. Distributions to Shareholders: Text: Chapter 14
12:30-3:15pm Dividends and Share Repurchases

April 3, Tues. Working Capital Management Text: Chapter 15
12:30-3:15pm

April 10, Tues. Financial Planning and Forecasting Text: Chapter 16
12:30-3:15pm

April 17, Tues. International Finance Text: Chapter 17
12:30-3:15pm

April 24, Tues. Course Review and Questions
12:30-3:15pm

May 1, Tues. **Final Exam (Includes all chapters except 1, 2, 6 and 14)**
12:30-3:15pm



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Chapter Problem Assignments

Chapter 3: 3-1 through 3-12

Chapter 4: 4-1 through 4-15, 4-17, 4-18, 4-19, 4-20, 4-21, 4-23

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

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

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

Chapter 9: 9-1 through 9-8, 9-10, 9-12, 9-15, 9-17, 9-19, 9-20

Chapter 10: 10-1 through 10-11, 10-13, 10-14, 10-15, 10-17, 10-19

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

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

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

Chapter 14: 14-1 through 14-9

Chapter 15: 15-1 through 15-8, 15-10

Chapter 16: 16-1 through 16-9, 16-12, 16-13, 16-14

Chapter 17: 17-1 through 17-11, 17-11, 17-13, 17-14