

MGMT 218 CG Financial Management for Business
Fall Semester 2015
Moravian College
Tuesday, 6:30 pm – 9:30 pm, PPHAC 116

Instructor Information:

Instructor: Denise L. Kowitz, MBA, ChFC®, LUTCF
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Course Description

(Also ECON 231/MGMT 231) Theories of financial management of business organizations, with emphasis on corporate form. Combines theoretical and environmental frames of reference to determine how firms maximize value. Real and financial asset valuation, risk and rate of return, cost of capital, portfolio choice, long- and short-term financing decisions. Prerequisites: CCBU/ECON 152 (Principles of Economics), either ECON 156 (Economics and Business Statistics), CCMA 107 (Statistics), or MATH 107 (Elementary Statistics) and CCBU/ACCT 157 (Financial Accounting). This course satisfies the requirement for a writing-intensive course for management and economics majors. 1 unit/4 cr.

General Description:

Financial Management for Business is, in essence, a fundamental, undergraduate corporate finance and financial management course. Students will, throughout the semester, utilize accounting, economic and mathematical / statistical concepts as they learn not only core competencies of finance, but ways in which they can apply these competencies in real world situations.

Student Learning Objectives

In this course the student should obtain a good understanding of the basic fundamentals of financial management and the related components of corporate finance. During the semester the student should learn: 1) to recognize and construct financial statements with interpretation of data by means of ratio analysis; 2) time value of money principles and how to calculate present and future cash flows; 3) important features of the securities market and how to calculate stock and bond values; 4) fundamentals of capital budgeting; 5) risk vs. return in its relationship to the market; 6) methodology of capital investment decisions; 7) fundamentals of short-term financial management; & 8) basics principles of foreign currency exchange. Knowledge of these topics will be measured via performance on homework assignments, exams and the case study.

In addition, the following list reflects the objectives of this course, whereby students to be able to: 1) describe the components of the economic, financial, and social environments of organizations; 2) communicate their knowledge and contributions via effective interpersonal, written, and presentation skills; 3) analyze the strengths and weaknesses of teams and how teams can be used to achieve organizational goals.

Text / Materials:

- Fundamentals of Corporate Finance, Standard, 10th Edition – Ross, Westerfield, Jordan - **Mandatory**
- Financial Calculator with TVM functionality (e.g. PV, FV, PMT, IRR, NPV) – Mandatory

Assignments

Exam dates will be provided in advance and are subject to change. Instructor will provide advance notice if changing an exam date. Exam results will be provided approximately one week after the exam is taken. All exams will be reviewed in class. Make-up exams will not be offered unless you provide a valid reason **ahead of time** as to why you will be unable to sit for the regularly scheduled examination. All reasons must be submitted in writing to the instructor. It is your responsibility to notify the instructor **prior to** each exam to be missed; otherwise a grade of zero will be given for each missed exam.

Homework assignments are due at the next regularly scheduled class meeting. If you are absent from class, it is **your responsibility** to find out what was assigned. Absence from class does not grant you an extension for submitting homework assignments.

Homework assignments may be typed or handwritten. Please, write your name, a description of the assignment (e.g. Chapter 1), the assignment date and the due date on all pages. Staple all pages together if your submission is more than one page.

Case Study:

This project will be a team project consisting of 2 - 3 members per team. Teams will be assigned by 10/6/2015.

Your team will select a publicly traded company from an instructor provided list and obtain their annual financial report for the year-end 2014 (or 2013 if 2014 is unavailable). Complete a financial overview of the company by analyzing its financial statements for the following elements: Operating Cash Flow, Change in Net Working Capital, Common Size Balance Sheet and ratio analysis including the following: Current Ratio, Quick Ratio, Total Debt Ratio, Inventory Turnover, Asset Turnover, Return on Assets, Return on Equity, Earnings per Share, Market Value per Share, Book Value per Share and Dividend Payout Ratio. Note that you may not be able to compute some of the requirements depending upon the company chosen for analysis.

Compare your findings to ratios for the industry. Finally, prepare an overview (no more than 2 pages) of your analysis. Use Word and Excel to complete the project and submit the financial report for the company you analyzed along with your work product. Project instructions and the required document format will be provided upon team assignment.

Style Guide

The style guide designated for this course is that of the American Psychological Association. American Psychological Association. (2009). *Publication manual of the American Psychological Association* (6th. Ed.). Washington, DC: Author.

You are expected to use the style guide to direct your use of citations, reference lists, and format beyond that specified here in the syllabus. You can access links to the APA style in the “Resources” section of the course Blackboard shell.

Grading Summary

A +	97.0% - 100.0%	B	83.0% - 86.9%	C -	70.0% - 72.9%
A	93.0% - 96.9%	B -	80.0% - 82.9%	D	65.0% - 69.9%
A -	90.0% - 92.9%	C +	77.0% - 79.9%	F	0.0% - 64.9%
B +	87.0% - 89.9%	C	73.0% - 76.9%		

Exam #1	22%
Exam #2	22 %
Final Exam	22%
Case Study	18%
Homework	10%
Class Participation	4%
<u>Attendance</u>	<u>2%</u>
Total	100%

Instructor reserves the right to apply qualitative judgment in determining grades for an assignment or measure command of the subject matter and prepare you for the challenges of corporate financial management.

Attendance

Attendance is strongly encouraged, but not mandatory. Lectures will not only summarize material covered in the text, but will also be devoted to discussing supplemental and supporting materials to enhance material found in the text. Reading the text is not a substitute for class attendance.

To encourage attendance, a portion of your final grade is dependent upon the number of lectures for which you are present. You will earn the full attendance grade by attending each class, arriving on time and remaining until class has ended. Missing class, arriving late and/or leaving early will impact your attendance grade as you will receive a prorated portion of the available points. Please, let me know **at the beginning of the semester** if you have a problem arriving to class on time and/or will have to leave early on a regular basis. If you anticipate missing an individual class for a legitimate reason (e.g. job-related travel, family illness, etc.), please, notify me via e-mail **before class begins**.

Your participation is encouraged and critical to the learning process. As an incentive, a portion of your final grade is dependent upon your willingness to participate – both voluntarily and when called upon. I am seeking quality contributions, not quantity. Participating for the sake of doing so rather than adding value to the learning process will be taken into account when determining your grade.

Blackboard:

This course will utilize Blackboard. Blackboard can be accessed through the AMOS site or at: <http://blackboard.moravian.edu/>.

If you need assistance in accessing Blackboard, please, contact me. Blackboard will be an essential tool in the learning process for this course and all students will be required to login to retrieve announcements, chapter notes/outlines, chapter homework, and case information. Students are asked to please, maintain their email address in Blackboard (Personal Information).

Cancelled Classes

In the event that an emergency or weather conditions require closings at Moravian College, the instructor will post an announcement on Blackboard to inform students of the cancellation. It is the student's responsibility to check Blackboard prior to each class period to determine if class is canceled.

Copyrights

Only the copyright holder has the right to make copies of books, articles, cases, software, and other copyrighted material. Anyone else (you, the reader) must have the copyright holder's permission to make copies unless the item being copied falls under the fair use proviso or is a work in the public domain. You must get permission from the copyright holder to make any copies legally of any copyrighted material.

Disabilities

Students who wish to request accommodations in this class for a disability should contact Elaine Mara, Assistant Director of Academic and Disability Support, located in the lower level of Monocracy Hall, or by calling 610-861-1401. Accommodations cannot be provided until authorization is received from the Academic Support Center.

e2Campus

In the event of an emergency the system called e2Campus allows Moravian College to send text messages to the cell phones of registered members of the campus community with information about what is happening and/or what precautions should be taken. Up to two cell phone numbers and two e-mail addresses per user may be registered. This service is an integral part of the College's emergency response system. If you are not already registered on the system, please do so as soon as possible. To register for e2Campus visit <http://intranet.moravian.edu/e2campus/index.asp> from a computer on Moravian's campus.

Expectations of Students

Cheating of any kind will not be tolerated. Any student found cheating on an exam or engaging in plagiarism will be assigned a grade of zero for that particular exam or assignment. A second offense will result in failure for the course. **NO EXCEPTIONS!** Students must do all of their own work, must not cheat and must not offer to help others cheat. The instructor fully supports Moravian's academic policies as outlined in the Academic Policy Manual.

Cell phones should be placed in vibrate or silence mode during class time. If you must take a call, please leave the classroom to do so. Texting is not tolerated during class time.

Grading Judgment

The course is oriented toward decision making for specific financing situations, problem solving and developing the skills necessary to succeed in the corporate financial management field. Class participation, discussions and lectures will be the normal teaching methods. Homework will consist of problems, case study analysis, projects and reading assignments. Guest speakers may be used to enhance concepts. We will share expertise and experiences of classmates and guests and respect the value of other's views.

Tips for Success:

- attend class
- don't fall behind
- read assigned material and work on assigned exercises **prior to** coming to class
- review lecture material and assigned exercises discussed in class immediately thereafter to reinforce the material
- keep track of exam dates and plan your study time accordingly
- see me before / after class or contact me via email or phone if you need additional help

Inclement Weather

In the case of inclement weather, the instructor will post a message on Blackboard to inform students if the class is canceled. It is the student's responsibility to check Blackboard prior to each class period for cancellations due to inclement weather.

Inclusion

Moravian College is a welcoming community that embraces and values the diversity of all members of the campus community. We acknowledge the uniqueness of all individuals, and we seek to cultivate an environment that respects, affirms, and defends the dignity of each member of the community. Moravian College complies with all federal and state laws regarding nondiscrimination in recruitment, admission, and employment of students, faculty, and staff.

You may wonder what that statement means. For the purposes of this class, the statement means that all persons, regardless of actual or perceived race, color, sex, religion, ancestry, genetic information, national origin, sexual orientation, gender identity or expression, familial status, marital status, age, mental or physical disability, use of guide or support animals and/or mechanical aids have an equal opportunity to participate and learn in this class and are to be treated equally in an inclusive and supportive manner.

In other words, in this class we all promote a culture of inclusion that welcomes and supports people of varying backgrounds, different viewpoints, experiences, talents, and ideas. By respecting and valuing these differences we can make problem solving and decision making multi-dimensional leading to more learning and better outcomes for all, including project clients.

Behaviors such as those listed in the table below will lead to an inclusive classroom culture.

Behavior	Description
Listening to understand	Listening with an open mind to fully understand all aspects of a situation
Seeing multiple points of view	Understanding that our perspective is not the only one when looking at a situation, issue, or person
Giving and receiving feedback	Inviting and giving feedback
Enhancing inclusion	Helping others feel included and involved
Addressing inappropriate behavior	Acknowledging inappropriate behavior; communicating expectations and consequences for repeated behavior.

Source: MIT Human Resources, Diversity & Inclusion, <http://hrweb.mit.edu/diversity/affirmative-action-plan-admins/resources>

Syllabus Status

This syllabus and the course contents are subject to change at the discretion of the instructor. Generally changes will be finalized only after discussion of the change with students in the class.

Workload

Students can expect to work at least *number of* hours on average outside of class in reading, preparation, and project activities for each hour of class time.

Student Study Commitment / Instructor Assistance:

The course requires uninterrupted exposure and study. As a general guideline, you can expect to spend 3 hours outside class for each hour of class. A major reason for failure in the course is falling behind and not using the tools available. The pace of this class is extremely fast and may feel uncomfortable. Each concept builds on the prior. You cannot prepare for exams and begin projects the day or night before they are due and expect to pass. I will make every effort to offer whatever assistance I can should you have difficulty with this course. My contact information may be found on the front page of this syllabus. However, note that I will not cover materials discussed when you were absent. You, the student, are responsible for obtaining from a classmate a copy of notes and assignments. I will not re-teach a class because you were absent.

Course Schedule / Outline (Subject to Change):

9/01/2015	----- Chapter 1 Chapter 2	Course Introduction / Syllabus Review Introduction to Corporate Finance Financial Statements, Taxes and Cash Flow
9/80/2015	Chapter 3 Chapter 4	Working with Financial Statements Long-Term Financial Planning and Growth
9/15/2015	Chapter 4 Chapter 5	Long-Term Financial Planning and Growth Introduction to Valuation: The Time Value of Money
9/22/2015	Chapter 5 -----	Introduction to Valuation: The Time Value of Money Review for Exam #1 - Chapters 1 - 5
9/29/2015	EXAM #1 Chapter 6	EXAM #1 – Chapters 1 - 5 Discounted Cash Flow Valuation
10/06/2015	Chapter 6 Chapter 7	Discounted Cash Flow Valuation Interest Rates and Bond Valuation
10/13/2015	FALL BREAK	NO CLASS
10/20/2015	Chapter 7 Chapter 8	Interest Rates and Bond Valuation Stock Valuation
10/27/2015	Chapter 8 Chapter 9	Stock Valuation Net Present Value and Other Investment Criteria
11/03/2015	Chapter 9 -----	Net Present Value and Other Investment Criteria Review for Exam #2 – Chapters 6 - 9
11/10/2015	EXAM #2 Chapter 10	EXAM #2 – Chapters 6 – 9 Making Capital Investment Decisions
11/17/2015	Chapter 12 Chapter 13	Some Lessons from Capital Market History Risk, Return and the Security Market Line
11/24/2015	Chapter 13 Chapter 14	Risk, Return and the Security Market Line Cost of Capital
12/01/2015	Chapter 14 Case Study Prep	Cost of Capital Independent Work - Team Case Study Preparation
12/08/2015	Last Class Chapter 21	Case Study Presentations International Corporate Finance Review for FINAL EXAM
12/15/2015	FINAL EXAM	FINAL EXAM – Chapters 10, 12, 13, 14 & 21