

Course	FINC 5000 Finance	
Term	Fall 1, 2008	
Instructor	Name: Derek D'Sa Phone: 310-338-9003 Email: pwrgolfer@ca.rr.com	
Catalog Description	The student examines the general nature of financial management, the American financial system, taxes, and the major financial decisions of corporations. Specific attention is given to present value and capital budgeting; risk and asset pricing; financial analysis and forecasting; financial decisions and market efficiency; and capital structure. Problem-solving methodology is used to illustrate the theories and tools in financial decision-making.	
Prerequisites	Prerequisites: BUSN 5600 and BUSN 5760. (FINC 5570 cannot be substituted for FINC 5000.)	
Course Level Learning Outcomes	Outcome	Expectation
	1. Students can determine the value of fixed income securities	Students can use equations and financial calculators to solve for all variables within the bond pricing equation.
	2. Students can determine the value of equity securities	Students can compute the value of equity using the Gordon Growth Model.
	3. Students can discuss market functioning and the role efficient markets play in security valuation	Students can identify the three levels of market efficiency, and are able to distinguish between the three when presented with a scenario.
	4. Students can evaluate capital budgeting decisions using standard methodologies	Students can employ NPV, IRR, and payback methods to analyze potential capital investments.
	5. Students can explain the impact of capital structure decisions on financial performance and the cost of capital	Students can explain the affect of varying the firm's debt and equity levels on the weighted average cost of capital.
	6. Students can identify agency problems within a corporation and formulate strategies to address them	Students can explain the conflicts of interest that exist between shareholders and managers in firms with less than 100% ownership by the manager of the firm. They can discuss a methods used by corporations (profit sharing, employee stock options, takeovers, etc.) to align manager and shareholder interests.
	7. Students can evaluate	Students can explain the impact of interest rate

	credit and interest rate risk	risk on risk premiums. They can discuss factors which increase interest rate risk.
	8. Students can utilize financial analysis to assess an organization's financial condition	Students can compute ratios from the information on financial statements. The ratios are in the categories of liquidity, profitability, market valuation, and efficiency. Students can apply the DuPont Model.
	9.	<p>At the completion of this course, the student will be able to:</p> <ul style="list-style-type: none"> • Understand the goal and environment of Financial Management. • Calculate and evaluate Financial Ratios. • Determine, calculate and apply the Time Value of Money. • Understand the valuation of securities. • Understand and discuss long-term investment decisions. • Understand and discuss capital expenditure decisions. • Understand and discuss long term financing choices. • Understand and discuss debt forms and equity choices. • Understand working capital and short-term financing
Materials	<p>Brigham & Ehrhardt, Financial Management: Theory and Practice, Twelfth Edition, Thomson/South-Western; ISBN/ISSN 0-324-42269-5; ISBN-13 978-0-324-42269-6 Financial Calculator – Required</p> <ul style="list-style-type: none"> • Texas Instruments BA II plus (recommended) <p>You can call MBS Direct at 800-325-3252 and give your school name, site or program, and course number or access the Virtual Bookstore at http://bookstore.mbsdirect.net/WEBSTER.HTM.</p>	
Grading	<p>Recommended scale 94-100 A 90-93 A-</p>	

87-89 B+
84-86 B
80-83 B-
70-79 C
0-69 F

Course Requirements

1. Case Analysis

Select a company of your choice. Research your topic, using at least 3 sources with recent information. The Internet, the Company, SEC, are generally the best sources for a public company. Prepare a typewritten paper (in APA format), the body about 5 pages, double-spaced. The paper should include:

- A brief background of the company, e.g., where it is located, when it was established, name of the CEO, and what the company does.
- A ratio analysis of strengths and weaknesses.
- Other factors affecting the company, including competitive factors, macro-economic factors, new products, etc.
- Your assessment of the future of the company.
- Whether you would recommend purchasing stock in the company (if a public company).
- Executive Summary & Bibliography. These are separate pages, not included in the approx. 5 pages of the body.
- You may attach as many exhibits as you want to support your paper, e.g., financial statements and other information you obtain from the Internet or elsewhere; however you are not required to – the choice is yours.

Each student will present his/her analysis during a class session. The presentation should be about 10 minutes in length. The rest of the class is expected to participate during Q & A.

1. Grading & Evaluation:

Case Analysis & Presentation	20%
Midterm	30%
Final	30%
Participation & Homework	<u>20%</u>
	100%

Attendance is required. If you must miss a class, obtain advance approval from the instructor whenever possible. You will be required to submit all assigned work for the week in writing.

Students who cheat or plagiarize may receive a failing grade for the course.

The contents of the syllabus and the course may be revised without prior notice at the discretion of the instructor.

The GRADUATE catalog provides these guidelines and grading options:

	<ul style="list-style-type: none">• A/A- Superior graduate work• B+/B/B- Satisfactory graduate work• C Work that is barely adequate as graduate-level performance• CR Work that is performed as satisfactory graduate work (B- or better). A grade of "CR" is reserved for courses designated by a department, involving internships, a thesis, practicum, or specified courses.• F Work that is unsatisfactory• I Incomplete work• ZF An incomplete which was not completed within one year of the end of the course. ZF is treated the same as an F or NC for all cases involving G.P.A., academic warning, probation, and dismissal.• IP In progress• NR Not reported• W Withdrawn from the course
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Activities																
Policy Statements: University Policies	<p>University policies are provided in the current course catalog and course schedules. They are available on the university website. This class is governed by the university's published policies. The following policies are of particular interest:</p> <p>Academic Honesty The university is committed to high standards of academic honesty. Students will be held responsible for violations of these standards. Please refer to the university's academic honesty policies for a definition of academic dishonesty and potential disciplinary actions associated with it.</p> <p>Drops and Withdrawals Please be aware that, should you choose to drop or withdraw from this course; the date on which you notify the university of your decision will determine the amount of tuition refund you receive. Please refer to the university policies on drops and withdrawals (published elsewhere) to find out what eh deadlines are for dropping a course with a full refund and for withdrawing from a course with a partial refund.</p> <p>Special Services If you have registered as a student with a documented disability and are entitled to classroom or testing accommodations, please inform the instructor at the beginning of the course of the accommodations you will require in this class so that these can be provided.</p> <p>Disturbances Since every student is entitled to full participation in class without interruption, disruption of class by inconsiderate behavior is not acceptable. Students are expected to treat the instructor and other students with dignity and respect; especially in cases where a diversity of opinion arise Students who engage in disruptive behavior are subject to disciplinary action, including removal from the course.</p>															
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Weekly Schedule	<table border="1"> <tr> <td data-bbox="370 1373 630 1486">Week 1</td> <td data-bbox="630 1373 1398 1486">Course overview and objectives. Chapter 1 & 3 (Overview of Financial Management & Analysis of Financial Statements)</td> </tr> <tr> <td data-bbox="370 1486 630 1562">Week 2</td> <td data-bbox="630 1486 1398 1562">Chapter 2 (Time Value of Money) Project: Discussion, Preparation</td> </tr> <tr> <td data-bbox="370 1562 630 1598">Week 3</td> <td data-bbox="630 1562 1398 1598">Chapter 4 (Risk & Return - Basics)</td> </tr> <tr> <td data-bbox="370 1598 630 1633">Week 4</td> <td data-bbox="630 1598 1398 1633">Chapter 5 (Risk & Return - Advanced)</td> </tr> <tr> <td data-bbox="370 1633 630 1747">Week 5</td> <td data-bbox="630 1633 1398 1747">Chapter 6 & 7 (Valuation Models) Case Analysis & Discussion <i>Midterm</i></td> </tr> <tr> <td data-bbox="370 1747 630 1860">Week 6</td> <td data-bbox="630 1747 1398 1860">Chapter 9 & 10 (Capital Budgeting & Cash Flow Evaluation) Case Analysis & Discussion</td> </tr> <tr> <td data-bbox="370 1860 630 1929">Week 7</td> <td data-bbox="630 1860 1398 1929">Chapter 11 (Cash Flow & Risk Analysis) Case Analysis & Discussion</td> </tr> </table>		Week 1	Course overview and objectives. Chapter 1 & 3 (Overview of Financial Management & Analysis of Financial Statements)	Week 2	Chapter 2 (Time Value of Money) Project: Discussion, Preparation	Week 3	Chapter 4 (Risk & Return - Basics)	Week 4	Chapter 5 (Risk & Return - Advanced)	Week 5	Chapter 6 & 7 (Valuation Models) Case Analysis & Discussion <i>Midterm</i>	Week 6	Chapter 9 & 10 (Capital Budgeting & Cash Flow Evaluation) Case Analysis & Discussion	Week 7	Chapter 11 (Cash Flow & Risk Analysis) Case Analysis & Discussion
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	Week 8	Chapter 13 & 14 (Financial Statements & Ratios) Case Analysis & Discussion
	Week 9	<i>Final Examination</i> –Open handwritten notes and financial calculator permitted <i>Presentations</i>
Additional Information	<p>CLASS ATTENDANCE: The following Webster University Graduate School Policy is in effect for this course:</p> <p>A. The University reserves the right to drop students who do not attend class the first week of the term/semester.</p> <p>B. The student should notify the instructor prior to class if an absence is anticipated and he or she should not miss more than four contact hours. Makeup work will be assigned and if the absence is unexcused, it may exceed the material presented.</p> <p>C. For absences of eight hours, the instructor has the option to lower the student's grade one letter grade and to inform the student of the action.</p> <p>D. If a student is absent twelve hours or more, the instructor has the option to assign a grade of "F" (work that is unsatisfactory) and to inform the student of the action. It is the student's responsibility to withdraw from the course.</p> <p>E. For excused absences, in extreme cases, when the instructor chooses to award a grade of Incomplete (I) for twelve hours missed, the student must provide acceptable documentation to verify that the absences were unavoidable (e.g. illness, military duty/TDY). The actions will be coordinated with the Site Director, who will ensure that the documentation is placed in the student's file.</p> <p>F. In all cases, without excused absences, the student should withdraw from the course if he or she has more than twelve hours of absences.</p> <p>ETHICS: Webster University strives to be a center of academic excellence. As part of our Statement of Ethics, the University strives to preserve academic honor and integrity by repudiating all forms of academic and intellectual dishonesty, including cheating, plagiarism, and all other forms of academic dishonesty. Academic dishonesty is unacceptable and is subject to disciplinary action. The University reserves the right to utilize electronic databases, such as Turnitin.com, to assist faculty and students with their academic work.</p>	