

School of Business and Nonprofit Management
Finance 5310 - Managerial Finance
Fall 2009

Instructor: John Bonie Email: jbonie@northpark.edu
Phone: 773-244-5784 Fax: 773-244-5285

Course Description:

This covers the essentials of finance with applications in investments and business management. Topics include the valuation of financial assets and liabilities, determination of present value of cash flows, relationship between risk and return, and characteristics of corporate financing. This course describes the financial environment in which business operates, the sources and forms of external financing, and changes in financial market conditions. It includes the study of investment decisions, the estimation of financing needs, and the choice among financing alternatives, so that skills can be developed in bringing analysis, information, and judgment to bear on such decisions. This course also provides a survey of various types of financial assets in the domains of equity and debt. The role of ethical behavior is incorporated into the study of financial markets, as well as in financial management. Prerequisites: ACCT 5100, MNGT 5300.

Course Objectives

- To recognize the role of finance as being a function of the sources of financing and the uses of those funds
- To critically analyze the assumptions that drive financial valuations
- To apply critical thinking to the project valuation process
- To obtain critical valuation skills such as present, future and net present value
- To calculate bond prices and yields to maturity
- To calculate stock prices using the Gordon Constant Growth formula and the dividend discount model
- To value projects using discounted cash flow techniques
- To calculate key rates such a returns on investment, expected return on equity investments, and internal rates of return and compare them to the opportunity cost of capital

Required Text:

“Corporate Financial Management” 2nd Ed. By Emery, Finnerty, And Stowe
ISBN0-13-083226-X

The Participation and Attendance grade is of vital importance and consists of two pieces. To receive full credit, you first must adhere to the Attendance Policy. Secondly, I consider outstanding participation to consist of a student who a. shows up with the homework prepared, b. asks at least one question per class period and c. offers at least one insight per class period. Although the nature of this class is quantitative, it is our qualitative collaboration that makes learning meaningful.

Attendance Policy:

Please inform me prior to any session you will be unable to attend. Students are allowed to miss one class without penalty. Students who miss two classes may be penalized one full grade from the grade they would have earned in the class. Students who miss more than two classes will be given an 'Incomplete' and asked to repeat the course. On time arrival for every class is expected.

As busy adults, we know we cannot control all of life's events. If a life situation, such as an emergency, arises that prevents you from attending class please come and talk to me. I will happily work with you to insure that you learn all the material. But please do your best to inform me prior to a class period.

Office Hours:

By appointment with extended availability prior to class.

Ethics:

In keeping with our Christian heritage and commitment, North Park University and the School of Business and Nonprofit Management are committed to the highest possible ethical and moral standards. Just as we will constantly strive to live up to these high standards, we expect our students to do the same. To that end, cheating of any sort will not be tolerated. Students who are discovered cheating are subject to discipline up to and including failure of a course and expulsion.

Our definition of cheating includes but is not limited to:

1. Plagiarism – the use of another's work as one's own without giving credit to the individual. This includes using materials from the internet.
2. Copying another's answers on an examination.
3. Deliberately allowing another to copy one's answers or work.
4. Signing an attendance roster for another who is not present.

In the special instance of group work, the instructor will make clear his/her expectations with respect to individual vs. collaborative work. A violation of these expectations may be considered cheating as well.

For further information on this subject you may refer to the Academic Dishonesty section of the University's online catalog.

In conclusion, it is our mission to prepare each student for a life of significance and service. Honesty and ethical behavior are the foundation upon which such lives are built. We therefore expect the highest standards of each student in this regard.