

SCHOOL OF BUSINESS AND NONPROFIT MANAGEMENT
SBNM 5311 – FINANCIAL DECISION MAKING
FALL 2012

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OFFICE HOURS: by appointment

COURSE DESCRIPTION:

This course explores the financial allocation problems of firms and other economic units. Emphasis will be placed on the characteristics of sequential decision-making possessed by these economic units. The course focuses on corporate investment decisions, and on the design, analysis, and implementation of corporate financing strategies. The course will examine various decision problems in professional money management organizations, including, the analysis of individual securities, the determination of overall investment policy, and the structuring of investment portfolios. Throughout the course, discussion will deal with ethical issues within business contexts. Moral reasoning will be factored into portfolio management as it is affected by environmental, multi-national, and global issues.

COURSE OBJECTIVES:

1. To describe the drivers of corporate value from a financial decision making point of view
2. To assess, evaluate and analyze company performance and plan for changes that are consistent with company goals
3. To accurately forecast pro forma performance and manage growth
4. To utilize valuation methods, such as DCF and multiples, to make strategic decisions about projects and potential transactions
5. To evaluate corporate financial structure, including debt and equity from the internal, industry and investor perspective
6. To recognize the drivers of dividend policy
7. To critically analyze merger, acquisition and divestiture prospects as potential sources of investor value creation
8. To manage firm risk as it relates to control, the fiduciary responsibility, investor demands and legal requirements

REQUIRED TEXT:

SBNM 5311 Case Packet, Fall 2011. ISBN: 9781121023864.

Note: This is a selection of cases from hard cover texts and is only available in the North Park Bookstore. The price should be a significant savings over a textbook purchase.

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COURSE OUTLINE:

Class	Date	Topics	Readings	Deliverables
1	10/25	Ethics Policy & Capital Structure Investor Thinking	Ethics in Finance Structuring Corporate Financial Policy Warren E. Buffet, 2005	
2	11/1	Review Financial Analysis, Ratios & Valuation	Basic Ratio Analysis & Equity Valuation Krispy Kreme	
3	11/8	Sample Case Analysis	Ben & Jerry's	
4	11/15	Financial Decision Making – 10-K Exercise	Nike 10-K	
5	11/29	Financial Analysis and Strategic Decision Making	Tonka Corporation Coleco Industries, Inc.	Project Presentations
6	12/6	Financial Analysis and Strategic Decision Making	Calaveras Vineyards Walt Disney Productions, June 1984	Project Presentations
7	12/13	Financial Analysis and Strategic Decision Making	Merit Marine Corporation Brown-Forman Distillers Corp.	Project Presentations Project due 12/15 @ noon

- The course outline is subject to change. Please make sure you are always working off the most current version.
- Deliverables are due at the beginning of the class period. Late deliverables will not be accepted without prior permission.

GRADING:

Project Presentation	40 %
10-K Analysis Project	40 %
Participation	<u>20 %</u>
Total:	100 %

The Project Presentation will be a detailed and focused group project on the particular nuances of an assigned case. The presentation should last 45 minutes to 1 hour in length and be accompanied by a robust Power Point presentation. Detailed components of this assignment are available on Moodle.

The 10-K Analysis Project will be an individual written assignment. Students are asked to select and research a publicly-traded firm that has multiple years of filings accessible via <http://sec.gov>. The key outcome is to do an assessment of financial health and make any subsequent recommendations as relates to corporate financial policy, structure or strategy. Detailed components of this assignment are available on Moodle.

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Grading Conditions

All written submissions, particularly the research project, will be graded based on:

1. Content (60%) – the accuracy and representation of the appropriate knowledge and descriptors in context for the course
2. Organization (20%) – the logical selection and presentation of a written format that articulates a lucid and logical explanation of ideas
3. Grammar – (10%) the quality of the document relative to its spelling, grammar, punctuation and word choice.
4. Style – (10%) the creative element of writing which gives the document a certain professionally-appropriate differentiated readability

All presentations will be graded based upon:

1. Content – The appropriateness and relevance of the material as it relates to the students and learning outcomes of the course.
2. Organization – The construction of the message in a way that is logical, ordered and easily recollected by the audience
3. Verbal delivery – The usage of proper language, articulation and other oral presentation skills.
4. Body language – The usage of proper physical motions, gestures, eye contact and control of distracting physical habits.
5. Visual accompaniments – The inclusion of a relevant imagery such as handouts, posters or PowerPoint presentation slides.
6. Creativity and Style – Positive differentiators used to make the presentation memorable and which stimulates active discussion.

Tests cannot be made up or turned in late unless prior permission is obtained.

Extra credit is not available at any time in this course.

Grade Determination

Note: The final grading scale may be adjusted depending upon aggregate performance. Any deviations will be announced in conjunction with final grade assignment.

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≥ 91	A
= 90	A-
= 89	B+
≥ 81	B
= 80	B-
= 79	C+
≥ 71	C
= 70	C-
= 69	D+
≥ 61	D
= 60	D-
<59	F

The detailed components of your grade will be posted to Moodle. It is your responsibility to audit regularly for accuracy. Final grades will be made available within a week upon the completion of the course and are found in WebAdvisor.

All grades are final and not subject to debate.

ATTENDANCE POLICIES

Attendance and participation are vital; thus, students are expected to attend every session. On time arrival is expected. Tardiness is highly undesirable. This course has a strict policy of documented, advance notification. If unable to attend any session, please inform me, preferably via email, prior to that session. You need not provide a reason for your absence. I will expect you to make every effort to adhere to this policy. Failure to provide advance notification will be considered an unexcused absence.

In the event of excessive unexcused absences or excessive instances of tardiness, I reserve the right to lower your grade up to one full letter grade. I take this policy very seriously and encourage you to do likewise.

In the event you cannot make class, regardless of the reason, you are to:

1. Check the syllabus
2. Confer with a classmate
3. Check Moodle
4. Research the missed content online
5. Come to office hours or make an appointment to discuss

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COMMUNICATIONS POLICIES

Communication skills are a major part of your development. As this course is in the School of Business and Nonprofit Management, I expect our email exchanges to reflect professional business communications. Therefore, every communication you send should be highly professional and ‘client-ready.’ This means formatted and edited for 100% accuracy in spelling, grammar, punctuation, and word choice. I will not respond to any email that is not completely accurate.

I check email regularly and late into the evening. If I do not respond within one business day, you may take my lack of response as your responsibility to edit and resend your communication. This policy is strictly enforced.

When authoring an email, please use an appropriate subject which is indicative of the contents of the message, for example, “Impending Absence, October 23.” Your primary point of reference is this syllabus. Please read it in detail before approaching me with queries whose answers it contains. Please do not be offended if my response to your inquiry is, “Please refer to the syllabus.” Moodle and fellow classmates are also good sources for basic questions. When contacting me, my preferences are:

1. Email at any time
2. Office hours or make a face-to-face appointment
3. Voicemail message

For substantive communications, please see me in my office or make a special appointment in order to discuss in person. Additionally, as a follow up, it is your responsibility to document and send to me by email all significant arrangements and agreements made. I seldom recollect things said to me orally, so please follow up all significant exchanges with an email backup.

TECHNOLOGY POLICIES

All students are expected to check their North Park emails regularly (outside accounts such as Hotmail and Gmail are often sent into a spam folder). I send significant information via email and expect all students to have read them. If you do not use your North Park email address, please make sure email is being forwarded properly.

All students are expected to access Moodle. All grades and critical directions for assignments will be posted there. This is the official register for all grade-related issues. Check and audit grades regularly.

Misuse of cell phones or laptops in class will be penalized subjectively.

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ETHICS POLICY

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.

STUDENTS WITH DISABILITIES

Students with disabilities who believe that they may need accommodations in this class are encouraged to contact the Center for Academic Services at 773-244-5737, advising@northpark.edu or stop by the office located on the 2nd floor of the Student Services Building. Please do so as soon as possible to better ensure that such accommodations are implemented in a timely manner. For further information please review the following website: <http://www.northpark.edu/ada>.

Accommodations for disabilities must be made prior to exams or to assignments.