

**BSE 3350 – ADVANCED FINANCE  
SPRING 2013**

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**OFFICE HOURS:** Monday 1:30-3 PM, Tuesday and Thursday 2-3:45 PM

**COURSE DESCRIPTION:**

This course covers advanced topics necessary for corporate financial management. Topics will include capital budgeting, capital structure decisions, initial public and follow-on equity offerings, dividend payout policy, corporate governance structure, and mergers and acquisitions. Students will calculate firm valuations using multiple approaches. Skill development will include the construction of pro-forma excel models to be used in strategic decision-making. Prerequisite: BSE 2310.

**COURSE OBJECTIVES:**

By the end of this course, students will be able to:

1. Articulate the components of corporate financial policy and analyze elements of corporate financial structures in order to be able to describe, diagnose and prescribe appropriate financial recommendations to organizations.
2. Select appropriate financial ratios and metrics in order to compare operating results to appropriate investor and competitor benchmarks and standards.
3. Produce, analyze and make decisions based upon a series of budgeting and analysis tools and processes.
4. Apply commonly accepted valuation techniques in order to approximate the market value of a private venture.
5. Use Excel to construct an Assumptions page that quickly allows users to derive outputs from the model based on variable inputs
6. Use Excel to construct a pro forma Income Statement, Balance Sheet and Statement of Cash Flows based off the operating assumptions of a business.
7. Conduct benchmarking research of publicly traded companies in order to validate the assumptions that drive a model.

**REQUIRED MATERIALS:**

Advanced Finance, BSE 3350. Professor Al Kamienski, M.B.A., Ph.D., School of Business and Nonprofit Management, North Park University. ISBN# 9781121111929.

*Note: This custom book is available through the Bookstore.*

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**COURSE SCHEDULE:**

<b>Week</b>	<b>Dates</b>	<b>Topics / Readings for the Week</b>	<b>Deliverables</b>
1	1/16	Review, Ratio and Equity Valuation	
2	1/23	Common Stock Analytics	
3	1/30	Enterprise Valuation	
4	2/6	Enterprise Valuation	
5	2/13	Cash Flow Budgeting	
6	2/20	Structuring Corp. Financial Policy	Earnings Call Presentations
7	2/27	Note to Student	
8	3/6	Warren Buffet	
9	3/20	Pfingsten Field Trip	Cash Flow Forecast
10	3/27	Financial Modeling Case	Textual Structure Team A Case Presentation
11	4/3	Coleco Financial Model	Team A Case Presentation Statement Projections
12	4/10	Calaveras Vineyards Financial Model	Team B Case Presentation Benchmarking, Dashboard
13	4/17	Brown Forman Financial Model	Team C Case Presentation Documentation
14	4/24	Walt Disney Financial Model	Team D Case Presentation Scenarios and Dec. Making
15	5/1	Tonka Financial Model	Team E Case Presentation Valuations
16	5/8	Financial Model	Model Due, by 10 AM

**GRADING POLICIES:**

*Deliverable Weights*

Earnings Call Presentation	15%
Cash Flow Forecast	15%
Case Presentation	20%
Financial Model	40%
Participation	10%

*Deliverable Descriptions*

The earnings call presentation is an analysis of a company's recent earning performance and the responses of the analysts and markets to its ability to project and meet or exceed its earnings targets. Detailed instructions are available on Blackboard.

The cash flow forecast is done in Excel. Detailed instructions are available on Blackboard.

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The case presentation is an in-depth financial description of a company's financial environment, a diagnosis of its particular issues / challenges, and a prescription of financial recommendations for future success. Detailed instructions are available on Blackboard.

The financial model is a complex, assumptions-driven, three-statement, Excel spreadsheet containing a dashboard, benchmarked research, and valuation. It is also detailed in its documentation. All relevant assignment instructions are posted to Blackboard.

Participation is a subjective assessment of your preparation, quality and quantity of your in-class contributions and overall leadership.

*Grading Conditions*

Assignments cannot be made up unless prior permission is obtained.

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

All written submissions 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 (50%) – the appropriateness and relevance of the material as it relates to the students and learning outcomes of the course
2. Organization (15%) – the construction of the message in a way that is logical, ordered and easily recollected by the audience
3. Visual accompaniments (15%) – the inclusion of a relevant imagery such as handouts, posters or PowerPoint presentation slides
4. Verbal delivery (10%) – the usage of proper language, articulation and other oral presentation skills
5. Body language (5%) – the usage of proper physical motions, gestures, eye contact and control of distracting physical habits
6. Creativity and Style (5%) – positive differentiators used to make the presentation memorable and which stimulates active discussion

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*Grade Determination*

≥ 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 always be posted to Moodle. It is your responsibility to audit regularly for accuracy and to request corrections. 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. In the business world, you would never miss a meeting without prior notice; and, if you did you could be terminated from your job. I expect you to apply that same courtesy to us and our class and 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 tardiness, I reserve the right to lower your grade up to one full letter grade. I take this policy very seriously.

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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**COMMUNICATION 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 communication. Therefore, every communication you send should be highly professional and worthy of being read by your boss or a client. This means formatted and edited for 100% accuracy in spelling, grammar, punctuation, and word choice. When authoring an email, please use an appropriate subject which is indicative of the contents of the message, for example, “Impending Absence, October 23.” I will not respond to any email that is not completely accurate or fails to meet all these criteria.

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 need and responsibility to edit and resend your communication. This policy is strictly enforced.

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. A face-to-face appointment in my office hours or specially arranged
3. Voicemail message

As a follow up to all substantive exchanges it is your responsibility to record all significant arrangements and agreements made. I seldom recollect things said to me orally, so please author an email documenting our conversation.

**TECHNOLOGY POLICIES**

All students are expected to check their North Park emails regularly. I send much significant information via email and expect all students to be current in their understandings. If you do not use your North Park email address, please make sure email is being forwarded properly to your personal account. Many external email systems get spammed so their use is not recommended.

When submitting any assignments or documents to me electronically, your email is not considered as received by me until you receive an email saying “Received.”

All students are expected to access Moodle regularly. Critical directions for assignments and periodic announcements will be posted there. Moodle is also the official register for all grades. 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](mailto: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.

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Appendix A – Top Ten Suggestions for Success

1. Resources - Read the syllabus, know all the policies, especially Attendance and Communications. Refer to the Course Schedule frequently.
2. Resources - Use all available, including the readings, classmates, professor, Internet and web sites that support the course.
3. Effort - Attend every scheduled class. Be punctual. If unable, follow the Attendance Policy in the syllabus.
4. Effort - Put forth at least 100% effort in everything associated with your name. 110% is available.
5. Effort - Be prepared and actively engaged by taking notes, following along readings and asking questions.
6. Effort - Be a leader. Know your grade at all times. Get to know your professor in office hours.
7. Communication - Communicate professionally according to the Communication Policy in the syllabus.
8. Communication - Use your North Park email account.
9. Attitude - Do not take anything personally, except praise.
10. Attitude - Have fun. Laugh. Help others have a good time.