

School of Business and Nonprofit Management

Course Syllabus

Course: SBNM 5310 Managerial Finance

Academic Year: 2013/14 Semester/Quad: Spring A

Credit Hours: 2

Prerequisites: This course has a strict prerequisite: SBNM 5110 (Financial Accounting).

Instructor: Mr. Martin Paulson M.B.A, M.S.

Phone: 847-309-5277

I encourage students to use email as their primary mode of communication.

Email: mpaulson@northpark.edu; mppaulson@yahoo.com

Availability

I will be available in the classroom at 5PM on the evening of our class. Other appointments can be arranged upon request.

Course Description

This course provides the student with the foundations of finance and includes applications to business financial management and investment decisions. Key topics include assessing the financial health of the firm, planning future financial performance, financing operations, and evaluating investment opportunities. This course describes the financial environment in which business operates, the sources and forms of external financing, and changes in financial market conditions.

The course includes the study of investment decisions, the estimation of financing needs, and the choice among financing alternatives, so that knowledge can be developed in bringing analysis, information, and judgment to bear on such decisions. It also provides a survey of various types of financial assets such as stocks, bonds, and options. The role of the financial manager's ethical behavior is incorporated into the study of financial markets, as well as in financial management.

Our goal is to learn the language of financial management and investments, and to gain a foundation in the theory and key frameworks which drive the financial decision-making process.

Introductory Comments

This is a very fast paced course, which requires the student to be diligent in keeping up with the assignments each week.

Course Materials

All of the items listed below are required for this class.

Textbook: Higgins, Robert C., Analysis for Financial Management, Tenth Edition, McGraw Hill. ISBN 978-0-07-803468-8

Supplemental materials included in Moodle – Your student account will be charged automatically (\$40 cost will be billed to your account).

Berk, Jonathan and DeMarzo, Peter, Corporate Finance, Third Edition, Pearson. ISBN 978-0-13-299391-3.
(Chapter 4, pg. 96-140)

Case 1 – Ethics in Finance

Case 2 – The Investment Detective

Case 3 – Warren Buffett

Essential IDEA Objectives

1. Learning fundamental principles, generalizations, or theories.
2. Learning to apply course material (to improve thinking, problem solving, and decisions).
3. Developing specific skills, competencies, and points of view needed by professionals in the field most closely related to this course.

Specific Course Objectives

During this course, the student will:

1. Gain factual knowledge related to finance (terminology, classifications, methods, trends)
2. Explain fundamental principles, generalizations, theories, or techniques related to management of existing financial resources and the acquisition of management of new resources
3. Demonstrate skills, competencies, and points of view needed for the practice of financial management
4. Integrate the role of ethical behavior into implications for financial markets and financial management
5. Apply knowledge and comprehension via quizzes, discussion forums, homework, and exams
6. Preparation necessary for SBNM 5311 Financial Decision Making

Course Methodology

The course will utilize lecture, class discussion and “learning by doing” as we attempt to master the concepts of financial management. I will use current events, case studies from the text and those prescribed herein and your work experiences to assist us in this effort.

All problem related homework will be done using Microsoft Excel. The course uses individual and group assignments.

Computer Requirements

Understanding technology tools in today’s business environment is critical. As such, I require all work be done in Microsoft Word, Excel, or Powerpoint (or equivalent) and specify the appropriate tool for each assignment.

Computer Requirements: In order to effectively participate in and successfully complete this course, each participant will need to have access to a computer and a high-speed internet connection. Please visit <http://www.northpark.edu/Campus-Life-and-Services/Computer-Services/Network/Minimum-Requirements> for information on computer requirements and network access.

Moodle: All students are expected to access Moodle. All grades and critical directions for assignments are

posted on Moodle. This is also the official record for all grade-related issues. Check and audit grades regularly.

Email: All students are expected to check your North Park emails regularly (NOTE: Outside accounts like Yahoo and Hotmail often forwards class emails to your spam folder). I send significant information via email and expect all students to have read the information sent. If you do not use your North Park email address, please make sure email is being forwarded properly.

Technical Skills Required

The ability to use Microsoft Excel effectively is important in this class.

Software Tools: All students are expected to use the appropriate software for the course. This course relies heavily on Microsoft Word, Microsoft Excel, use of the internet, and many online research resources.

Schedule of Weekly Assignments

Reference Moodle for additional assignment details, instructions, deadline and to upload/post all assignments.

Week	Date From To	Topics and Readings Chapter: Title	Assignments / Deliverables
1	January 16	Assessing the Financial Health of the Firm: Interpreting and Evaluating Financial Statements • Higgins, Ch 1-2 • Berk and DeMarzo, Ch 4 (posted on Moodle) • Case 1: Ethics in Finance	Self-Study Problems (Optional) Quiz Week 1 Homework Problems TVM Examples Ethics in Finance Assignment
2	January 23	Planning Future Financial Performance: Financial Forecasting and Managing Growth • Higgins, Ch 3-4 • Berk and DeMarzo, Ch 4 (posted on Moodle)	Self-Study Problems (Optional) Quiz Week 2 Homework Problems TVM Examples
January 23			Mini Exam (Time Value of Money, Berk/DeMarzo, Chapter 4)
3	January 30	Financing Operations: Financial Instruments and Markets • Higgins, Ch 5	Self-Study Problems (Optional) Quiz Week 3 Homework Problems 10-K Analysis Assignment
4	February 6	Financing Operations: The Financing Decision • Higgins, Ch 6	Self-Study Problems (Optional) Quiz Week 4 Homework Problems
February 6			Exam 1 (Higgins Chapters 1-5)
5	February 13	Evaluating Investment Opportunities: Discounted Cash Flow Techniques • Higgins, Ch 7 • Case 2: The Investment Detective	Self-Study Problems (Optional) Quiz Week 5 Homework Problems The Investment Detective
6	February 20	Evaluating Investment Opportunities: Risk Analysis in Investment Decisions • Higgins, Ch 8	Self-Study Problems (Optional) Quiz Week 6 Homework Problems
7	February 27	Evaluating Investment Opportunities: Business Valuation and Corporate Restructuring • Higgins, Ch 9 • Case 3: Warren Buffet	Self-Study Problems Quiz Week 7 Homework Problems Activity #2: Warren Buffett
February 27			Exam 2 (Higgins Chapters 6-9)

Grading

Assignment/Deliverables/Quiz	Points	Grade Percentage
Class Assignments Breakdown		
Week 1 - Quiz 1	15	2.14%
Week 1 - Homework Problems	25	3.57%
Week 1 - Ethics in Finance	25	3.57%
Week 2 - Quiz 2	15	2.14%
Week 2 - Homework Problems	25	3.57%
TVM Mini Exam	100	14.29%
Week 3 - Quiz 3	15	2.14%
Week 3 - Homework Problems	25	3.57%
Team Assignment #1 10-K Evaluation	50	7.14%
Week 4 - Quiz 4	15	2.14%
Week 4 - Homework Problems	25	3.57%
Exam Chapters 1-5	100	14.29%
Week 5 - Quiz 5	15	2.14%
Week 5 - Homework Problems	25	3.57%
Week 6 - Quiz 6	15	2.14%
Week 6 - Homework Problems	25	3.57%
Week 7 - Quiz 7	10	1.43%
Week 7 - Homework Problems	25	3.57%
Team Assignment #2 Warren Buffett	50	7.14%
Final Exam Chapters 6-9	100	14.29%
Total Points	700	

Grade Mapping

Letter Grade	Percentage	Letter Grade	Percentage	Letter Grade	Percentage
A	(95-100%)	B-	(80-82%)	D+	(67-70%)
A-	(90-94%)	C+	(77-79%)	D	(63-66%)
B+	(87-89%)	C	(73-76%)	D-	(60-63%)
B	(83-86%)	C-	(70-72%)	F	(<60%)

Assignment Grading Policies:

Assignments are to be ready for submission at the start of the class when they are due. If a quiz or exam is missed due to an excused absence, an arrangement will need to be made to take said quiz or exam prior to the start of the next class. **I do not accept late submissions of any assignments for any reason whatsoever. A late submission will be recorded as 0 points. All grades are final and not subject to debate.**

ASSIGNMENT SPECIFICATIONS

Overview:

Summary of Assignment Point Allocation

Deliverable Points

Quizzes (20 points / 7 weeks) 100 points
Homework Problems (25 points / 7 weeks) 175 points
Activities (50 points / 2 assignments) 100 points
Mini Exam – Time Value of Money 100 points
Exams (100 points / 2 exams) 200

Overall 700

Quizzes

Total Points	100
---------------------	-----

- These weekly quizzes are intended to re-enforce understanding of the reading and core concepts from each chapter.
- Quizzes generally consist of 10-15 true/false and multiple choice questions and test understanding of definitions (no problems are included).

Homework Problems

Total Points	175
---------------------	-----

- Homework problems are one of the most CRITICAL learning methods in this course. Homework problems have been assigned to address 2 key areas of understanding the finance topics: 1) How to think about topics and apply to decisions and 2) How to solve problems using the appropriate formulas, ratios, and analysis frameworks.
- It is strongly recommended that you give great diligence and time to working the assigned homework problems.
- Each week, you should review the odd problems from the chapter. Our text provided the solutions to these problems at the end of the book. If you have questions about the provided solution, please post a question in Moodle or email the instructor.
- Additionally, homework problems have been assigned for the week and must be submitted for grading.
- Working with class members: I strongly encourage working together on the assignments in this class. However, there are a few important caveats:
- The work you submit must be your individual assignment. I will do a very rigorous review of all assignments and it is clear to me when work is not individual.
- There is a risk when working with a partner or in groups that you will not generate sufficient understanding of the concepts and application in the homework. The fallout of this is clear during the Exams (when performance is substantially lower than the Homework).

It is recommend that:

- 1) Working all problems on your own for a bit BEFORE speaking with team members and/or 2) Discussing the rough approach to the homework and application of the chapter materials with team members and then, working the problems individually.
- 2) You are always welcome to ask the Instructor questions about the assignments during the week (before submission). You can even send work in process, which can be reviewed to help ensure you are on the right path.

These assignments is not about getting “points” – it is about learning to apply the concepts.

Theory Problems (Short Answer):

In this category of question, which will occur on the two exams, the criterion will be whether the student has shown a grasp of the concepts that are in question. In these problems partial credit may be given if the answer provided is not completely correct.

Calculation Problems:

Here I am looking for the correct answer. It is advisable to show your work, whether that be using an Excel file or on paper. Partial credit may be given if the process of completing the problem was in proper form, yet a small error was made in that process.

Activities

- **Team Assignment: 2 team members per group (See Week 1 for Instructions on creating teams)**
- During the course, two Activities have been assigned. These are similar to Homework Problems, but, are slightly more extensive and have more description and reading. These are also known as “Case Studies” and are an introduction to the type of assignments used throughout SBNM’s Graduate Business Program, particularly in more advanced courses.
- The nature of this assignment warrants working in teams. There is value in collaborating as you work through the analysis and questions assigned.
- The reading and instructions for each Activity are provided in Moodle. Read the information thoroughly and ask questions as needed.
- Each Activity will have a specific assignment to be submitted. As this is a team assignment, there will be one submission per team, but, the Discussion Forum Question must be answered individually.
- You should expect that the Activity assignments are slightly more challenging individually than the Homework Problems. Be sure to allocate the appropriate amount of time to these as there is a decent amount of reading, some analysis, and a short written assignment that must be submitted.

Mini Exam and Exams

- During the course, there will be 1 Mini exam (100 points) and 2 (two – 100 points each) Exams covering the materials from the reading and homework. Exam due dates are posted in Moodle. The content of the Mini exam / Exams is as follows:
 - Mini exam – Time Value of Money: Berk and DeMarzo, Chapter 4
 - Exam 1: Higgins, Chapters 1-5
 - Exam 2: Higgins, Chapters 6-9

- Content:
 - The Mini exam will consist entirely of problems.
 - The Exams generally consist of Problems and Essays, and may include Short Answer and Research-based Questions.

- All Mini exam and Exam material will be posted 2 weeks before due to allow ample time to prepare, ask questions, and solve the questions.
- Fair warning: The Exams for this course are considered challenging and can take time (10-15 hours is common). It is **NOT** recommended you begin shortly before your Exam is due. You run the risk of insufficient time to work the problems, ask questions, and finalize your work.
- Also, the Exams are intended to be slightly more challenging than the homework problems. This is not an activity to simply display your knowledge of facts and formulas. The questions work to extend your understanding of the course material, as well as test your knowledge of finance foundations.
- As you work the Exam – there are two simple rules: 1) You cannot discuss any aspect of the Exam with **ANYONE EXCEPT** the course instructor (no communication whatsoever) and 2) You can ask the Instructor any question regarding the Exam to aid your solving/completion of the questions (except “What is the answer.”) This is not intended to be a process where you work in a vacuum. The Instructor is available to discuss via phone or email any question as needed.

Activity 1**Assignment Specifications: 10-K Analysis Assignment (50 points)**

This is a two part assignment, one part of the project is to perform analysis on the 10-K data for a corporation that must file reports with the SEC. Approval of the company being used from the instructor is needed prior to starting the assignment. Details on the assignment will be on Moodle. Part 1 of the assignment is to perform analysis on the financial statements in the latest 10-K for your selected company. Part 2 will be a memo where your group is a researcher for a mutual fund and you report your findings to your company leadership about the possible investment in the company you have analyzed.

Criteria	Outstanding	Good	Average	Poor
A professional and well written memo along with a data file that is well organized and formatted for printing.	36-40 points	32-35 points	25-31 points	Less than 25 points
As was said in this syllabus, the submission must be turned in timely.				
Grammar, punctuation, format and presentation.	9-10 points	8 points	7 points	6 points or less

Other Information:

Microsoft Excel will be utilized for the analysis component. All of the statistical and ratio analysis will be submitted in an Excel file along with the memo. The submission will be in paper form and in files submitted to the instructor prior to the class when the assignment is due.

Activity 2**Assignment Specifications: Warren Buffett Case (50 points) Due in Week 7.**

This assignment is an example of what the student will be expected to accomplish in Financial Decision Making, the class that follows Managerial Finance. There will be case questions appearing on Moodle for this case. The questions to be answered will be a part of a short paper on the case and Mr. Buffett. Students will be allowed to use other research on Mr. Buffett, which could include near term instances in Berkshire Hathaway.

Criteria	Outstanding	Good	Average	Poor
This assignment will be a short paper that will be done in APA format. Students must answer the questions posed by the instructor as a part of the paper submission. The expectation is for a well-written document that provides answers to the case questions.	36-40 points	32-35 points	25-31 points	Less than 25 points
Grammar, punctuation, format and presentation.	9-10 points	8 points	7 points	6 points or less

Other Information:

Microsoft Word will be used for this assignment.

Course Teaching and Learning Methods

This course is being taught in intensive in-class format; therefore, it is very important for students to keep up with readings, assignments, and online discussions. There are a number of requirements each week and it is each student's responsibility to ensure the assignments, requirements, and deadlines are understood.

A key item for success in this course: If you have questions – ASK!!! The instructor can arrange individual or group discussions to clarify topics or assignments, post information, and adjust the overall management of the course. But, if students do not convey this need, it is not known. An online forum in Moodle has been provided for questions.

Learning is best facilitated when we work together – do not work persistently on assignments where you are confused or not making progress. Ask a class member or instructor for guidance and help (per the guidelines established above with the overview of assignments).

Student Responsibilities

1. Engagement and full participation are required for this class. You cannot successfully complete this online course without completing the weekly readings and assignments. You are expected to read the text as assigned and complete the assigned problems based on the assigned deadlines.
2. Some assignments will be posted on-line for others to see. You will be asked to comment and provide feedback to one another on your work.
3. Although I strongly suggest that all issues, questions, and problems be dealt with online, you can feel free to call or e-mail me regarding these issues at any time, noting the office hours I am available.
4. Use proper “netiquette” (see A Guide to Netiquette in Course Information book on Moodle).
5. I normally advise participants to plan on spending 10-15 hours per week on course responsibilities (e.g. reading, assignments, case study analysis, paper research/analysis, etc.).

Course Facilitator (Instructor) Responsibilities

1. The course facilitator will design the course and learning modules in such a way that students have every opportunity to achieve the learning objectives.
2. The course facilitator will provide reactions to student responses and discussion as appropriate in order to clarify important ideas and concepts.
3. The course facilitator will provide opportunities for group work that will include discussion as well as hands-on exercises.
4. The course facilitator will provide updated information on relevant resources for the various topics of interest.
5. The course facilitator will read and critically assess students' assignments and provide feedback within 3-5 days of receipt.
6. The course facilitator will respond to all student e-mails within 48 hours of receipt.
7. The course facilitator will respond to all student phone calls within 48 hours.

Communication Expectations

Communication skills are a major part of your academic and professional development. As this course is in the School of Business and Nonprofit Management, we will assume that I am an executive and you are a member of my team. Therefore, every communication you send should be highly professional. This means formatted and edited for 100% accuracy in spelling, grammar, punctuation, and word choice. Your question or inquiry should be specific and clear. I will be better able to respond and do so more promptly if this is the case.

Computers/Cell Phones/PDA's in Class

I request that you do not utilize your personal computer, cell phones or PDA's for non-classroom related activities in class. We may have a pc available in class and I expect that device to be used for class purposes only (unless we are on break).

Citizenship

Citizenship in this course is behavior that promotes, encourages and fosters better academic achievement by the individual, the group and the entire class. Good citizenship examples include the following: showing excellent participation, having consistent attention, demonstrating interest, performing problem-solving, supporting assertions with reasoning, practicing courtesy, giving respect, avoiding side-conversation when someone else has the floor, modeling enthusiasm, and demonstrating a willingness for including others and their diversity when forming study groups. Examples of poor citizenship include: demeaning or ridiculing other students, selectively withholding information or posing problems willfully so as to impede reasonable remedies, conducting telephone/PDA or computer work during class at any time, distracting the class in any way, shunning or intolerance in group work.

POLICY STATEMENTS

Academic Honesty

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.

Attendance Policy for Graduate Courses

The graduate courses in the SBNM are all 7 weeks in length. Missing one class session is allowed without penalty as long as all readings and assignments are made up by the student within a reasonable time period (the following week). Failing to log into an online course site for an entire week is allowed, but a penalty may be applied at the instructor's discretion. Missing a second class session is allowed only in unusual circumstances by prior arrangement with the instructor. Since this represents almost 30% of the engagement time for the course, the student runs the risk of receiving a lower overall grade for the class. Faculty are encouraged to drop the course grade by a full letter grade in this situation. A student who misses three classes (or the equivalent two weeks for an online class) will automatically fail the course, unless the student drops the course before the seventh week of class. Students who drop a course will be held responsible for tuition, based upon the current North Park University refund policy outlined in the University Catalog.

Attendance Policy for Undergraduate Courses

Attendance and participation are vital. Thus, students are expected to attend every class session and to arrive on time – tardiness is undesirable and disruptive to your fellow classmates. This course has a strict requirement of documented, advance notification. If you are unable to attend any class session, you are to inform me (preferably by email) **prior to** that session. You need to provide a reason for your absence. Failure to provide advance notification will result in an unexcused absence. Be advised that poor attendance can affect your grade adversely

APA Requirement

The School of Business and Nonprofit Management (SBNM) has adopted the *Publication Manual of the American Psychological Association* (APA) as the standard and required format for all written assignments in SBNM courses.

Our goal in adopting the *APA Manual* is to enhance student learning by:

- 1) Improving student's writing skills.
- 2) Standardizing the required format of all written assignments in all SBNM courses.
- 3) Emphasizing the importance of paper mechanics, grammatical constructs, and the necessity of proper citations.
- 4) Holding students accountable for high quality written work.

If you are unfamiliar with the requirements of the *APA Manual*, we recommend that you purchase the reference manual and/or that you consult one or more of the suggested resources as listed on the Student Resources section of the SBNM website. **It is your responsibility to learn and ensure that all written work is formatted according to the standards of the APA Manual.**

Students with Disabilities

Students with disabilities who believe that they may need accommodations in this class are encouraged to contact your program's office (Business: 773-244-6270). 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/Campus-Life-and-Services/Disability-Resources>