

FINANCIAL MANAGEMENT

Course Syllabus

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Course 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.

Students will work in teams of maximum 5 persons and will work on a S&P500 company of their own choice.

In order to work efficiently it is required that students form teams before the first class and choose a S&P500 company that they will work on. During the first class the instructor will register the teams and chosen companies. Please prepare yourselves.

This is a hands-on course that focuses highly on applying learned concepts to day to day business decisions.

Course Topics

Students will learn to:

- * Calculate selected financial ratios.
- * Differentiate the components of the extended DuPont equation, and calculate the return on equity using the DuPont format.
- * Calculate or describe the common measures of investment performance.
- * Understand basic framework of the financial system.
- * Understand TVM (Time Value of Money) concepts and calculations; including future value of a present sum, present value, and present and future values of annuities. Algebraic methodologies and the use of Excel spreadsheets will be encouraged.
- * Understanding of the differing rates of returns for differing assets.
- * Describe common features and types of bonds.
- * Describe major characteristics of common and preferred stock.
- * Understand how capital structure is related to investing decisions.
- * Integration of finance theory with the chapter materials.
- * Students should have a basic understanding of risk and return, efficient market hypothesis, and competitive markets and the consequences and challenges for financial managers.
- * Calculate Weighted Average Cost of Capital.
- * Understand the various techniques used in capital budgeting decisions.
- * Describe techniques used to forecast financial statements.
- * Calculate the Equity and Company Value of assets and Companies

Texts and Required Supplies

Fundamentals of Financial Management, James C. Van Horne, John M. Wachowicz Jr., Pearson Education 11th edition, Prentice Hall, 2001, ISBN- 7-302-04811-8, www.PearsonEd.com

- * A financial calculator that can handle exponents
- * Good command of Excel's statistical and financial formula's
- * Access to a computer with FAST internet capabilities and access to foreign websites.

Evaluation

Participation / Team Presentations	20%
Mid-term Assignments Portfolio	20%
Final Exam and Assignments Portfolio	60%

Students and auditors are required to attend all classes and participate actively. Their grade will partly reflect this. It is usually appropriate for class participation to account for roughly 20% of the grade. Auditors do not receive academic credit, but participate in all other classroom work. All classes include assignments (such as presentations or papers).

The first session of a course is very important and should not be missed. Therefore, in accordance with Student Guidelines on Attendance, the instructor can request that **students missing the first class without valid reason, and without having obtained permission beforehand, can be dropped from the course.**

For this course, the instructor has requested that this rule is enforced.

PLAGIARISM

Plagiarism is using another person's words or ideas without telling the reader. This applies to books, articles, but also to sources from the internet, or copying work from your fellow students. Those who are discovered cheating or plagiarizing will normally receive a failing grade for the entire course and may even be subject to dismissal. Please don't fall into this trap, make proper references in your work and include a bibliography in all your papers (for more information, see the Student Handbook on our website). Please respect your sources, your audience and yourself.

Students must report to the instructor all assistance they received and all sources they used in carrying out their assignments, otherwise they will fail the course and may face other penalties as well.