



# LINCOLN UNIVERSITY

## BA 303 – Finance Management Fall 2017 Course Syllabus

Course Number: **BA 303**

Course Title: **Finance Management**

Units: 3 (45 lecture hours)

Semester Offered: Fall 2017

Course Meeting Days: Tuesdays

Course Meeting Time: 3:30-6:15pm

Course Meeting Place: TBD

### Instructor Information:

Name: Daniel Sevall

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Office Location: TBD

Office Hours: Tuesdays at 11:30 to 12:30; Wednesdays at 2:30-3:30

### Course Description

A consideration of financial control at the corporate management level, with special emphasis on the policies and practices required to place and control the sources and uses of capital. Emphasis will be placed on capital management and evaluation of alternative opportunities. Also examined are such matters as valuation, cash flow, funds acquisition long-term financing, and budgets as tools for decision-making.

(3 units) *Prerequisite: BA 45*

### Required Texts

Brigham, Eugene F. and Ehrhardt, Michael. *Financial Management: Theory and Practice, 14<sup>th</sup> Edition*. (2014) Thomson/Southwestern. Earlier editions of this course text are acceptable for students to use.

### Overview

The course covers the finance cycle in an organization from its inception to operations and possible mergers and reorganizations. Finance is concerned with determining value – what is something worth, and how one makes the best decisions for increasing value. So this course builds from financial accounting, which uses historical data. Problems of financing an organization, maintaining liquidity and profitability, and making investment and capital budget decisions are discussed in-depth.

The course stresses the importance of data analysis and its use in problem solving and decision-making. Methods for comparing costs and benefits are discussed in selecting among options available. Cost saving techniques in the management of cash, receivables, and inventories are reviewed. In a broad sense, the course enables the student to relate to the functions of the financial officer in playing a key role in carrying out the objectives of an organization.

### COURSE LEARNING OUTCOMES

	<b>Course Learning Outcome</b>	<b>Assessment activities</b>
1	Enable students to read, understand, and analyze financial statements; review the importance of the cash flow statement	Midterm and Final Exam
2	Study the various sources of financing and relative advantages and disadvantages of each; provide an understanding of financial securities and markets that affect capital structure	Midterm and Final Exam
3	Assimilate time value concepts to calculate an array of financial problems (i.e. amortization schedules, present value calculations, annuity and perpetuity comparisons); study how interest rates are used in discounting future values; provide an understanding of the nature of risk and its effect on rates of return	Case Studies; Midterm and Final Exam
4	Explain the methods of management of cash, receivables and inventories	Case Studies
5	Articulate the components of bond valuation; employ concepts for bond pricing; similarly for stock valuation, utilize the Dividend Discount Model and/or the Capital Asset Pricing Model to determine the return on equity and to value stocks	Midterm and Final Exam

6	Use the concepts of Net Present Value and Internal Rate of Return to gain a fuller appreciation of capital budgeting and their use in selection of projects; integrate Discounted Cash Flow techniques for valuation purposes.	Case Studies; Midterm and Final Exam

**Academic Honesty, Plagiarism Policies and Procedures:**

Lincoln University intends to be a community of educators and learners with shared values. Accordingly, Lincoln expects the highest standards of honesty and integrity from all members of the academic community.

***What is considered academic dishonesty?*** It is generally taking credit for work which is not your own or attempting to receive credit or improve a grade through fraudulent or deceptive means. Examples include taking information from or providing information to another student, or plagiarism (the intentionally or knowingly representing the word or ideas of another as one's own in any academic exercise).

***What is Plagiarism?*** Whenever you quote from, make reference to, or use ideas attributable to others in your writing, you must identify these sources in citations or bibliography, or both. If you do not, deliberately or accidentally, you have committed plagiarism. Plagiarism, defined as the act of stealing or using as one's own the ideas of another, is not permitted in college or university work or in any published writing. "Plagiarism may take the form of repeating another's sentences as your own, adopting a particular apt phrase as your own, paraphrasing someone else's argument as though it were your own." (Modern Language Association Handbook, New York: MLA, 1977, P.4). The sanctions for plagiarism range from reprimands and counseling to expulsion from the University. The appropriate sanction is determined by the University Committee on Academic Dishonesty. The University faculty may use internet-based services to identify those portions of student written assignments that might not meet the full standards of academic integrity as defined in this statement.

## **Course Requirements**

### 1. Textbook Assignments

Students should read all assignments and be prepared to discuss the material covered. Assigned problems should be worked out in advance as a basis for review in class. Students should pinpoint major concepts and procedures in each chapter, understand their meaning and application, and raise questions in class on areas of complexity or ambiguity. Study in teams is recommended both to accelerate the learning process and to obtain feedback on individual interpretations. Homework may be collected for purposes of extra credit.

### 2. Team Projects/Cases

Through the completion of selected end of chapter cases, each student will show the application of concepts covered in the course, such as study of annual reports, ratio and other analysis including comparison with other companies, and bond and stock valuation. Students are encouraged to work in teams, and each team will select a topic. Grades will be based on content, innovative ideas, and presentation. Instructors may require students to make an oral presentation in class based on their paper.

### 3. Quizzes and Final Exam

Tests will be given at the end of the third and sixth sessions, and an examination during the final session. The purpose of these tests is to evaluate the student's understanding of the concepts and how to apply them. This includes learning how to perform the calculations and use the techniques that are an integral part of a course in finance. The tests also serve to let the student know how he or she is doing and what areas need further emphasis.

## **Evaluation Criteria**

Midterm Exam	25%
Attendance and Class Participation	15%
Case Analyses	20%
Final	40%
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Total	100%

Letter grades will be given based on the following scaling:

- A 90 - 100
- B 80 - 89
- C 70 - 79
- D 60 - 69
- F 0 - 59

Class Schedule		
Class Sessions 1-4	<p>Chapter 1 (Overview)</p> <p>Chapter 2 (Time Value of Money)</p> <p>Chapter 3 (Financial Statements, Cash Flow and Analysis)</p> <p>Chapter 4 (Analysis of Financial Statements)</p>	<p><u>Questions 1-4</u></p> <p>Problems Homework 2-3, 2-5 (work 2-29 and 2-34 in class; extra credit to anyone who presents in-class)</p> <p>Problem 3-3, 3-4</p> <p>P 4-6 thru 4-10, &amp; 4-11 in class</p> <p>Dell Case Analysis</p>
Class Sessions 5-8	<p>Chapter 5 (Bond Valuation)</p> <p>Chapter 6 (CAPM)</p> <p>Chapter 7 (Portfolio Theory—skim and discuss in class)</p> <p>Chapter 8 (Stock Valuation)</p> <p>Chapter 9 (Financial Options)</p>	<p>P-5-1, 5-2, 5-7, 5-14 (and 5-22 in-class)</p> <p>P 6-1, 6-2, 6-6, 6-7</p> <p>P 8-1 thru 8-3</p> <p>P 9-1 thru 9-3, and 9-5</p> <p>Mini-Case: Chapter 5</p>
Class Sessions 9-12	<p>Chapter 10 (The Cost of Capital)</p> <p>Chapter 11 (The Basics of Capital Budgeting)</p> <p>Chapter 13 (Real Options)</p> <p>Chapter 14 (Financial Planning and Forecasting Financial Statements)</p> <p>Chapter 15 (Corporate Valuation, Value-Based Management and Corporate Governance)</p>	<p>P 10-1 thru 10-5; 10-17 in class</p> <p>P 11-9 and 11-12</p> <p>P 13-1 and 13-2</p> <p>P 14-1 and 14-7</p> <p>P 15-7, 15-8, and 15-9</p> <p>Netflix Valuation Case</p>

Class Sessions 13-14	Chapter 16 (Capital Structure Decisions) Chapter 18 (Distributions to Shareholders) Chapter 19 (Initial Public Offerings) Chapter 20 (Lease Financing) Chapter 21 (skim) Chapter 22 (Working Capital Management)	P 16-1, 18-1, 18-7, 19-1  16-10 and 19-4: Work in class  Problems 20-1, 21-1, 21-4  Problems 20-4, 21-5 in class Mini-Case : Chapter 20
	<u>Course Review and Final Exam</u>	

**Last Update:** 8/15/2017

Appendix. Program and Institutional Learning Outcomes.

<b>Institutional Learning Outcomes (ILOs)</b>	
<i>MBA Graduates of Lincoln University should be able to:</i>	
<b>1b</b>	Recognize and be able to work with the components of reasoning and problem solving; understand concepts, assumptions, purpose, conclusions, implications, consequences, objections from alternative viewpoints, and frame of reference.
<b>2b</b>	Gather and assess relevant information, using abstract ideas to interpret it effectively; to develop well-reasoned conclusions and solutions, and test them against relevant criteria and standards
<b>3b</b>	Be exemplary business professionals and try to ensure that the products of their efforts will be used in socially responsible ways, will meet social needs, and will avoid harmful effects to health and welfare
<b>4b</b>	Lead by example in order to create highly collaborative organizational environment, and be able to develop and use strategies to encourage employees at all organizational levels to do the same.
<b>5b</b>	Set goals and have a vision of the future. The vision should be owned throughout the organization. As effective leaders, they should habitually pick priorities stemming from their basic values.
<b>6b</b>	Continually look for, develop, and offer new or improved services, and be able to use original approaches when dealing with problems in the workplace.
<b>7b</b>	Demonstrate fluency in the use of tools, technologies and methods in the field. They should know how to evaluate, clarify and frame complex questions or challenges using perspectives and scholarship from the business discipline.

<b>Program Level Outcomes (PLOs)</b>	
<i>Students graduating our MBA program will be able to:</i>	
<b>1</b>	Develop and exhibit applied and theoretical knowledge in the field of management and business administration
<b>2</b>	Use theoretical knowledge and advanced problem-solving skills to formulate solutions and identify risks in the following fields: international business, finance management, general business, human resources management, management information systems, marketing management
<b>3</b>	Communicate within a highly specialist environment that allows the presentation of critiques of complex strategic matters
<b>4</b>	Demonstrate autonomy, creativity, and responsibility for managing professional practices
<b>5</b>	Demonstrate leadership and set strategic objectives for team performance
<b>6</b>	Identify ethical issues/problems in business organizations and reach decisions within ethical framework

<b>Institutional Learning Outcomes (ILOs)</b>	
<i>A Graduates of Lincoln University MS Program should be able to</i>	
<b>1</b>	Recognize and be able to work with the components of reasoning and problem solving; understanding concepts, assumptions, purpose, conclusions, implications, consequences, objections from alternative viewpoints, and frame of reference.
<b>2</b>	Gather and assess relevant information, using abstract ideas to interpret it effectively; being able to develop well-reasoned conclusions and solutions, and testing them against relevant criteria and standards
<b>3</b>	Be exemplary business professionals and try to ensure that the products of their efforts will be used in socially responsible ways, will meet social needs, and will avoid harmful effects to health and welfare
<b>4</b>	Lead by example in order to create highly collaborative organizational environment, and be able to develop and use strategies to encourage employees at all organizational levels to do the same.
<b>5</b>	Set goals and have a vision of the future. The vision should be owned throughout the organization. As effective leaders, they should habitually pick priorities stemming from their basic values.
<b>6</b>	Continually look for, develop, and offer new or improved services, and be able to use original approaches when dealing with problems in the workplace.
<b>7</b>	Demonstrate fluency in the use of tools, technologies and methods in the field. They should know how to evaluate, clarify and frame complex questions or challenges using perspectives and scholarship from the business discipline.

<b>Program Level Outcomes (PLOs)</b>	
<i>Students graduating our MS in Finance Management program will be able to:</i>	
<b>1</b>	Demonstrate expert-level understanding of the aspects of finance management including mathematical, statistical, financial, and economic.
<b>2</b>	Develop knowledge of finance management including international finance, international securities, commercial banking and lending, investment science, real estate, and stock market.
<b>3</b>	Recognize financial problems and provide creative solutions. Integrate theory and practice for strategic analysis in the field of finance management.
<b>4</b>	Apply quantitative methods of analysis to analyze financial data.
<b>5</b>	Communicate to relevant audiences including written and oral communication.
<b>6</b>	Work effectively with a team of colleagues on diverse projects.
<b>7</b>	Identify and analyze the ethical obligations and responsibilities in the field of finance management.



<b>Institutional Learning Outcomes (ILOs)</b>	
<i>DBA Graduates of Lincoln University should be able to:</i>	
<b>1c</b>	Incorporate various modes of thinking, among them: scientific thinking, mathematical thinking, historical thinking, anthropological thinking, economic thinking, and moral thinking.
<b>2c</b>	Operate within alternative systems of thought, recognizing and assessing the needs, with related assumptions, implications, and practical consequences; and being able to communicate results effectively with others in figuring out solutions to complex problems
<b>3c</b>	as exemplary business professionals, minimize the possibility of indirectly harming others by following accepted standards at local, national or international levels; to be able to assess the likelihood and physical and social consequences of any developed product's harm to others.
<b>4c</b>	Integrate collaboration into organizational workflows, create a supportive environment for collaboration and teamwork, and lead by example.
<b>5c</b>	Have perseverance to accomplish a goal despite potential obstacles, use sound judgments to make decisions at a right time, and make timely appropriate changes in thinking, plans, and methods in achieving organizational goals.
<b>6c</b>	Set up realistic goals for the organization, encourage innovative strategies, and convey a clear sense of future direction to employees.
<b>7c</b>	Formulate and arrange ideas, designs, or techniques, and apply them to specific issues and problems. They should be able to apply current research, scholarship and or/techniques in the field.

<b>Program Level Outcomes (PLOs)</b>	
<i>Students graduating our DBA program will be able to:</i>	
<b>1</b>	Demonstrate advanced knowledge and competence in the latest academic theories, concepts, and techniques in the field of business administration.
<b>2</b>	Demonstrate effective research skills including formulation of research problem; integration of previous literature into an appropriate literature review; design of a research study; data analysis; and summary and presentation of results.
<b>3</b>	Create and present advanced forms of oral and written communications, including teaching and advising.
<b>4</b>	Generate, evaluate and assess the ethical obligations and responsibilities of business for the purpose of responsible management.
<b>5</b>	Apply the knowledge from the area of specialization and provide consulting to other business industries or other fields.