

University of Indianapolis
School of Business – MBA Program
MBA504 – Financial Management
Fishers Cohort

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Course Syllabus – Fall 2011 MBA504 Financial Management

Course Description

The knowledge of financial principles is advantageous to managers in virtually every discipline in business. This course is designed as an introduction to finance and is the primary prerequisite to MBA 680 (Corporate Financial Theory) which covers more in-depth math topics. The content of this course integrates both conceptual and mathematical information. Cases, comprehensive problems, and current events are analyzed and discussed throughout the course to provide students with hands on experience in the use and application of financial tools.

The basic concepts of the time value of money, valuation and rates of return, cost of capital, and capital budgeting are covered. Students will learn how capital markets function, about different types of securities and financing instruments that exist, and how to manage cash flow. Risk, working capital management, leverage, forecasting, and the analysis of financial statements and ratios are given particular attention. This course should provide students with basic financial math skills and an excellent introduction to financial management concepts.

Course Topics

- Goals & current issues of the financial manager
- Financial Ethics & Corporate Social Responsibility
- Cash Flow Statements: Creating, analyzing, utilizing
- Financial Statement analysis: financial ratios, DuPont system, measuring company performance
- Financial planning: developing pro formas (forecasts)
- Operating and Financial Leverage: Analyzing tradeoffs & determining optimal balance
- Working Capital Management: Financing working capital & optimal plan, term structure of interest rates, float, inventory mgmt & EOQ, collection policy & discounts, sources of ST financing
- Time Value of Money: Future Value, Present Value, Annuities
- Security Valuation & Rates of Return
- Cost of Capital/WACC
- Project Analysis: Capital Budgeting, Methods of Selecting Capital Projects, Capital Rationing, Impact of Risk on Capital Budgeting
- Capital Markets: exchanges, market efficiency, investment banking, underwriting
- Bonds: markets, yields, prices, interest rates
- Stock Markets: types of securities, rights of common stockholders, rights offerings
- Use of financial calculator for various financial calculations

Required Textbook & Materials

- Foundations of Financial Management (Including accompanying Cases text) by Stanley B. Block, Geoffrey A. Hirt, Bartley R. Danielsen, 14th ed., New York: McGraw Hill, Inc., 2011.
- Financial Calculator – HP12C (preferred)
- Homework CONNECT Account (MUST SIGN UP FIRST WEEK) **Homework CONNECT links can be found on the course web site**
- Email Account – Send Email to instructor BEFORE 2nd class
- Access to Personal Computer and Spreadsheet program

Course Requirements

Homework Assignments	30%	A	95-100%	C+	77-79%
Class Attendance, Preparation & Attendance	10%	A-	90-94%	C	73-76%
Mid-term Exam	30%	B+	87-89%	C-	70-72%
Final Exam	30%	B	83-86%	F	0-69%
		B-	80-82%		

Class Attendance, Preparation & Participation

Class attendance is an important part of the academic process, and you are expected to attend classes regularly and to manage your schedule in order to meet the demands of this course. If you are absent, you will be responsible for arranging makeup work to be completed prior to the absence or immediately upon return to class at the instructor's discretion. As per the student handbook, reasonable documentation or verification of claims regarding absences may be requested.

Exams – The exams will be open book and open note

Late Work – Late work will not be accepted. The contribution grade will be affected by absences.

Academic Dishonesty and Plagiarism

You must not adopt or reproduce ideas, words, or statements of another person without giving an appropriate acknowledgement to the source. You must give due credit to the originality of others and acknowledge an indebtedness wherever you:

- Quotes another person's actual words, either oral or written;
- Paraphrases another person's words, either oral or written;
- Uses another person's ideas, opinions, or theories; or
- Cites facts, statistics, or other illustrative material, unless the information is common knowledge.

All assignments must be your original work and not the work of other students. Neither group work nor the individual work of another student may be submitted by you. Submission of such work will be considered academic misconduct. Incidents of academic misconduct, dishonesty and/or plagiarism will be handled as per the Student Handbook.

Student Handbook

All students are required to have a complete understanding of the student handbook, especially as it related to student rights and responsibilities. It is up to the student to understand this document.

Syllabus is subject to change.

Web References:

Connect site - http://connect.mcgraw-hill.com/class/j_coldiron_fall_2011_fishers

Course site - http://mattwill.com/index_files/Page743.htm

<u>Date</u>	<u>Lecture Topic</u>	<u>Assignment</u>
September 1 st	Ch. 1 – The Goals and Functions of Financial Management Ch. 2 – Review of Accounting	Ch. 2 – Problems #1, 2, 3, 4, 8, 11, 12, 16, 17, 18, 19, 22, 24, 27
September 8 th	Ch. 3 – Financial Analysis Ch. 4 – Financial Forecasting	Ch. 3 – Problems # 1, 3, 4, 6, 7, 8, 9, 10, 11, 14, 18, 19, 20, 22, 37 Ch. 4 – Problems #1, 3, 5, 6, 9, 10, 13, 14, 17, 24, 27
September 15 th	Ch. 5 – Operating and Financial Leverage	Ch. 5 – Problems #1, 5, 8, 10, 13, 15, 18
September 22 nd	Ch. 6 – Working Capital and the Financing Decision	Ch. 6 – Problems #1, 2, 3, 4, 6, 7, 9
September 29 th	Ch. 7 – Current Asset Management	Ch. 7 – Problems #1, 3, 5, 7, 9, 10, 11, 12, 17,
October 6 th	Ch. 8 – Sources of Short-Term Financing	Ch. 8 – Problems #1, 3, 5, 7, 11, 13, 18, 20
October 13 th	MIDTERM EXAM	
October 20 th	Ch. 9 – The Time Value of Money Ch. 10 – Valuation and Rates of Return	Ch. 9 – Problems #1, 2, 3, 4, 5, 6, 8, 10, 11, 12, 13, 17, 21, 25, 32, 37, 39 Ch. 10 – Problems #1, 2, 3, 8, 9, 10, 11, 15, 23
October 27 th	Ch. 11 – Cost of Capital Ch. 12 – The Capital Budgeting Decision Ch. 13 – Risk and Capital Budgeting	Ch. 11 – Problems #2, 3, 5, 7, 9, 11, 13, 17 Ch. 12 – Problems #1, 4, 6, 10, 12, 15, 16 Ch. 13 – Problems #2, 4, 10, 12
November 3 rd	Ch. 14 – Capital Markets Ch. 15 – Investment Banking: Public and Private Placement	Ch. 15 – Problems #1, 2, 5, 6, 9, 11, 13, 14, 15, 18
November 10 th	Ch. 16 – Long-Term Debt and Lease Financing	Ch. 16 – Problems #1, 2, 3, 6, 8, 11, 15, 17, 19, 22
November 17 th	NO CLASS	
November 24 th	NO CLASS – THANKSGIVING BREAK	
December 1 st	Ch. 17 – Common and Preferred Stock Financing	Ch. 17 – Problems #1-11, 12, 23
December 8 th	Final Review	
December 15 th	FINAL EXAM	