

## **FINA 300**

### **Learning Objectives & Homework**

**Due May 2, 2006**

Hello and welcome to Managerial Finance! Since this is an accelerated course, you will be expected to complete a significant amount of work outside of our class meetings on Tuesday nights. Our text for the course is Essentials of Corporate Finance by Ross, Westerfield & Jordan, 5<sup>th</sup> Edition. You should read and study the first three chapters for our first class. The following list of learning objectives are the areas upon which you should concentrate the most in order to study for the first test. We will discuss each chapter before the test in class.

#### Chapter 1:

1. List and explain three fundamental financial management decisions.
2. Identify three major forms of business organizations and the primary advantages and disadvantages of each.
3. Describe the primary goal of a financial manager in any type of business structure.
4. Describe the types of conflicts that arise between business managers and owners of a corporation.

#### Chapter 2:

1. Explain the difference between market value and book value when examining financial records of a firm.
2. Compute the average and marginal tax rates for given incomes levels of a corporation
3. Describe the difference between cash flow and accounting income.
4. Produce a simple cash flow report from financial statements.

#### Chapter 3:

1. Describe the uses of common-size financial statements and how they are formed.
2. Compute and interpret the following financial ratios:
  - Liquidity ratios: current, quick
  - Financial leverage ratios: total debt, debt-equity, equity multiplier
  - Turnover ratios: total asset turnover
  - Profitability ratios: profit margin, return on assets, return on equity
  - Market value ratios: price-earnings, market-to-book

Chapter 3 (cont'd.):

3. Calculate and explain the importance of the DuPont identity.
4. Calculate and explain internal and sustainable growth rates of a firm.
5. Describe three shortcomings of financial statement analysis.

As mentioned in the syllabus, the test will consist of multiple choice and short answer questions and some problems. The test problems will be similar to the assigned homework problems.

You should also complete the following assignment to be turned in on the first class night:

Chapter 1:

Page 18 – Question 1.1, 1.2, 1.3, 1.5, 1.6

Chapter 2:

Page 42 – Question 2.3, 2.4

Page 43 & 44 – Problem 5, 6, 7, 8, 14

Chapter 3:

Page 78 – Question 3.5, 3.7

Page 79 – Problem 1, 2, 5, 6, 8, 11, 12

We will discuss the answers to the assignment before the test—please complete the assignment on notebook paper with a straight left side to the paper, please – no torn out pages from a tablet!

We will also begin class discussion of Chapters 4 & 5, so you should skim those two chapters to introduce yourselves to some of the important concepts.

I look forward to meeting with you and getting to know you during the month of May. If you have any questions before the class actually meets, you can reach me by e-mail at [treid@sci.edu](mailto:treid@sci.edu) or by calling my cell phone 217-415-4512. Leave a message and I will return your call.

Terri Reid  
Instructor



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Benedictine University  
**SPRINGFIELD COLLEGE**  
IN ILLINOIS

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Course Syllabus  
Spring 2006 – BU MOD 7

**FINA 300 – MANGIERIAL FINANCE**

3 Credit Hours

Prerequisites: ACCT 112, MATH C115

Class Time: T, 6:00 – 10:00 PM

**MRS. TERRI REID**

Office Hours: 1/2 hour before class or by appointment

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Cell Phone: 217-415-4512

**TEXT:** *Essentials of Corporate Finance* by Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordan, 5th Edition, 2007, McGraw-Hill/Irwin.

**CATALOG DESCRIPTION:** Analysis of the functions of financial management in the decision-making process of the firm.

**GOALS:**

This course is an introduction to the basic concepts and principles of finance for the undergraduate business student. The students will develop an understanding and appreciation for the important duties of a financial manager in any business setting.

**COURSE OBJECTIVES:**

- To develop a basic understanding of the primary functions and decision-making processes of a financial manager.
- To introduce students to the quantitative techniques used to assist in evaluating financial decisions.
- To familiarize students with essential terminology used among financial professionals.
- To provide students with opportunities to relate concepts covered in class with current business situations.

**LEARNING OUTCOMES:**

- Understand the importance of financial statement analysis.
- Use time value of money to analyze security valuations.
- Develop skills to determine the cost of capital.
- Analyze working capital management decisions.

**CALCULATOR:** You will need a financial calculator to complete homework and test problems in class. If you do not currently have access to a financial calculator, the Texas Instruments BA-II Plus or Hewlett-Packard 10B calculators compliment the textbook.

**STUDENT ASSESSMENT:**

Exams:	60 points each (lowest score dropped – no make ups)
Assignments:	35 points each
Group Case:	50 points
Article Review:	30 points
Participation:	50 points

**GRADING:**

90%+	A
80%+	B
70%+	C
60%+	D

**TEACHING METHODS:**

Lecture, class discussion, homework problem review, and small group activity.

**EXAMINATIONS:**

There will be five exams given during the month, each consisting of multiple choice questions, short answer questions and problems. You are expected to take exams on the announced date; no make-up exams will be given. One exam will be dropped from the final grade (lowest score); therefore, if you do poorly on an exam due to illness or some other reason, it will not affect your grade.

**ARTICLE REVIEW:**

You will have the opportunity to select a recent business article that covers a topic in finance that interests you. You are required to write a 3-page paper that describes this topic and relates it to concepts presented in FINA 300. Guidelines for the paper will be provided separately.

**GROUP CASE:**

You and several of your peers will be required to present a group case to the rest of the class. The topic for the cases will come directly from the text. You will be assigned a case and group members in class during our first meeting.

**STUDENT RESPONSIBILITY:**

All assignments should be submitted by the due date. You are expected to read the chapters we will cover in class in order to contribute to class discussions, since you will receive a maximum of 10 participation points per class meeting. You are expected to arrive on time for class in order to minimize disruptions.

**ACADEMIC HONESTY:**

Plagiarism is defined as follows: “The act of appropriating the literary composition of another, or parts or passages of his writing, or the ideas of language of the same and passing them off as the product of one’s own mind. To be liable for plagiarism it is not necessary to exactly duplicate another’s literary work, it being sufficient if unfair use of such work is made by lifting of substantial portions thereof.” (Black’s Law Dictionary 1035, 5<sup>th</sup> ed. 1979). Any student caught plagiarizing or cheating on exams or assignments will be given a zero on that exam or assignment.

**INSTRUCTOR RESPONSIBILITY:**

I will work on learning all your names and faces as quickly as possible, and I’ll use a seating chart to help speed the process. Please choose a seat that you like so that I can prepare the chart. I will focus on the course objectives and will provide learning objectives for each chapter to help you prepare for class. I hope this course will be a good learning experience for you, but I will depend on your feedback about the class material and my teaching. Please provide me with any constructive criticism you have during the module so that I can make necessary adjustments.

**ATTENDANCE:**

You are expected to attend each of the five class sessions. It will be difficult, if not impossible, to achieve a satisfactory grade if you miss even one class—which is 20% of the course.

**LATE WORK:**

Homework assignments must be turned in on the due date, since answers will be covered in class. If you miss class and turn in an assignment after it is due, you will receive ½ of the points you would have earned on the assignment.

**MISCELLANEOUS INFORMATION:**

Please turn off all cell phones, pagers and any other electronic equipment that may disrupt the class before class begins.

SCI/Benedictine University provides individuals with disabilities accommodations to participate in educational programs, activities, and services. Students with disabilities requiring accommodations to participate in college sponsored programs, activities, and services or to meet course requirements should contact the Director of the Resource Center as early as possible.

**NOTE:**

The instructor reserves the right to revise the course outline and schedule as necessary. Unforeseen circumstances and class development may require changes in order to present relevant material effectively. Any changes will be announced in class and it is the student’s responsibility to adhere to changes.

## **CLASS CALENDAR**

Course Calendar - this an outline of where we expect to be - WE MAY VARY

<b>Week</b>	<b>Dates</b>	<b>Topic</b>
1	May 2	Course Introduction Discussion of Chapters 1, 2 & 3 Homework Review Exam #1 Case Assignments/Group Meeting Introduction to Chapters 4 & 5
2	May 9	Group Meeting First Case Presentation Discussion of Chapters 4 & 5 Homework Review Exam #2 Introduction to Chapters 6 & 7
3	May 16	Group Meeting Second Case Presentation Discussion of Chapters 6 & 7 Homework Review Exam #3 Introduction to Chapters 8 & 9
4	May 23	Discussion of Chapters 8 & 9 Homework Review Group Meeting Third Case Presentation Exam #4 Introduction to Chapters 12 & 17 Article Review Due
5	May 30	Discussion of Chapters 12 & 17 Homework Review Group Meeting Fourth Case Presentation Exam #5