PLEASE email assignments to jafmaf@ptd.net in Microsoft Office 2003 format.
Please identify your group number (or name) on each submission.

Text - (ISBN 0-324-28931-6) or

http://e-catalog.thomsonlearning.com/150l/
Once on the site, enter the ISBN 0324420943 in the
search field found at the top left corner of the page. It will then take
you to the text with the option to purchase it!

Prerequisites:
All foundation courses (FD501 thru FD504 if required) or equivalent courses taken at the undergraduate level
and MBA core course CR501 Financial & Managerial Accounting.
CR506 is not an introductory course. It is a prerequisite that students have a basic undergraduate understanding
of managerial finance concepts.

Student Learning Outcomes:
This course will enhance your understanding of basic financial theory and practices. You will address current
financial management issues faced by business decision-makers and will build the essential analytical skills
necessary for dealing with various financial issues. Topical coverage will include: fundamental concepts of
corporate finance, stock and bond valuation, cost of capital, capital project evaluation methodologies, risk &
return, leverage, working capital management, and dividend theories.

Recommended Reading:
Wall Street Journal, Barron's, Forbes, Fortune, Motley Fool,
Money, The Economist.

Course Presentation:
Six lectures and asynchronous chat. Each week’s assigned text readings and case studies are listed below.
Chapter PowerPoint presentations will be posted in Blackboard. Please contact me if you will miss a class (will
commence Monday, January 7, 2008 in Romania and Monday, January 14, 2008 in the US). Missing class
sessions or lack of participation will affect your final grade. Please refer to the class schedule below. Successful
completion of the class will require completion of all assigned group cases and submission of an individual
project.

Lecture reference material will be posted in BB if you need to review basic financial concepts. Class time
will be for discussion of selected finance topics.
Attendance Policy:
Consistent class attendance is a must for many reasons, not the least of which is the obvious fact that it is very difficult to contribute to, participate in, or profit from discussions and other activities if you are not present. Discuss unavoidable absences with the instructor in advance, if possible, and do whatever is necessary to make-up missed work. Absences will have an adverse impact on your grade. You will be graded on your individual participation.

Grading System:
Group Case Studies 60%
Individual Research Projects 30%
Class Participation / Class Preparation 10%

Please email a copy of the graded assignments to me at jafmaz@ptd.net by the day due (shown below).

Grading Scale:
Grades will be assigned in accordance with the "Graduate Division Catalog” using the following scale: A, A-, B+, B, B-, C+, C, C-, F.

Plagiarism Note: Neither cheating nor plagiarism will be tolerated. Penalties will be applied in accordance with university policies.

Each research paper should be three (minimum total) to five (maximum total) pages in length. In addition, proper footnotes and a bibliography are required. Use of the above “Recommended Reading” sources is requested. Papers will be graded based on the depth and application of finance topics. Select three of the following topics:

1. Using specific firms, discuss a change in a corporate bond rating and the effect on financing costs.
2. Using specific firms, discuss a change in a common stock price due to not meeting expected earnings. Discuss earnings management.
3. Discuss an increase in capital spending for a publicly traded firm, and discuss financing used.
4. Using specific firms, discuss dividend policy and common stock price.
5. Using specific firms, discuss stock repurchase, stock split, reverse stock split and the impact on stockholders.
6. Identify a firm’s inventory management practices or accounts receivable/cash management practices and discuss the effect of these practices on the firm’s cash flow.
7. For two firms in the same industry, use the firms’ balance sheets and current stock/bond prices to calculate each firm’s “hurdle rate”.
   Compare your results to your asset allocation in your personal retirement fund investments.
9. Other student selected topics with instructor approval.
Group Case Studies: (Refer to Chronological Synopsis in Blackboard)

You will be included in a group to work on case studies relevant to key financial management topics. Your group will be responsible for **EITHER** providing a written response to case questions (email to me) **OR** presenting the suggested answer (after the due date) via asynchronous chat. (Exception – all groups submit Cases 4 & 6.)

First, you will be assigned certain cases to read and will provide written answers to me at jafm@ptd.net by specific due dates. There will be sufficient coverage in the course text and **I will post financial topic review notes relevant to each chapter in Blackboard.** In addition, if you have questions about a case, you should post them to the “Discussion Board” for that case in Blackboard. You will be graded on your group’s written response to the cases. A single group submission must be provided by the due date for each case.

Secondly, your group will be assigned certain cases and your group will be given the suggested case answers. Your group does not have to provide written answers to me for your assigned cases. For these cases you will be responsible for posting an introduction to the case including a brief description of the case finance topics. You may provide some references to text material, Blackboard notes, calculation formats or other information to assist the other groups. Also, your group is responsible for periodically viewing the established “Discussion Board” for the case and answer questions from other groups’ members. After the due date for written submissions to me from the other groups, your group is responsible for explaining the details of the case. You may answer other groups’ questions about the case before the due date, but do not give out any answers. I suggest you direct student questions to the relevant topical material in the text or Blackboard notes or give an example using other data. I will monitor discussion board activity and also comment in the discussion board as necessary. You will be graded on your assigned cases based on your group’s input.

**Class Schedule**

This is a hybrid session including in-person classes, video conferencing and Blackboard discussion board group discussions. This class will include students from the Center Valley Campus in the US and students in Romania. Case study groups will include both US and Romanian students.

For US students, there will be two (in-person) classes on two Saturday mornings in January (see dates below). There will be no class for US students for the first week.

For Romanian (ROM) students, two classes will be held in-person in Romania during the first week. We will cover the same material in the US during the second and third week.

There will be four, ninety minute, video conferences held Saturday mornings in the US starting at 9:30 AM (simultaneous to Romania at 4:30 PM local time) on February 2, February 23, March 8, and March 22, 2008.

All other communication will be asynchronous using the Blackboard format. A “Discussion Board” will be set-up for each case. Also group chat will be set-up in Blackboard for each group.

Due dates for the group cases studies are shown below.

Individual research projects will be due January 27, 2008, February 24, 2008, and March 22, 2008. Early submission is acceptable.
Class One (US January 14, 2008) (ROM Monday, January 7, 2008)

- Introductions (complete student ID)
- Using Blackboard – review of Blackboard as a learning tool
- Course Syllabus (focus on lecture notes and assigned cases)
- Discussion of Individual Research Projects & Group Case Studies
- Group Formation

Chapter 1 - An Overview of Corporate Finance

Basic forms of business organization; determinants of “k” interest rate; business cycle and yield curves; financial markets and institutions; risk and required return; profit versus wealth maximization and types of financial instruments.
- Review Blackboard notes for Chapter One

Chapter 2 – Time Value of Money

The role of time value in finance; present and future values of single amounts; present and future values of annuities; present value of cash flow streams; loan amortization; perpetuity; growth rate calculations.
- In-class review of fundamental concepts
- Case #7 Kate Myers

Class Two (US January 21, 2008) (ROM Wednesday, January 9, 2008)

Chapter 6 – Bond Valuation
Chapter 7 – Stock Valuation

COMMON STOCK, PREFERRED STOCK AND BOND TERMINOLOGY & VALUATION TECHNIQUES
Valuation fundamentals; decision making and common stock value; the cost of specific sources of capital: long-term debt, common stock, retained earnings, and preferred stock.

Assignments:
Group One - Case 12 – Fruit of the Loom due Friday, February 1, 2008
Group Two – Case 13 – Nations Bank due February 1, 2008
Group Three – Case 14 – AMR – American Airlines due by February 1, 2008

#1 Research Project Due to me – January 27, 2008
January 26 – February 1, 2008

Chapter 3 – Financial Statements and Cash Flow
Chapter 4 – Analysis of Financial Statements

REVIEW OF ACCOUNTING CONCEPTS:
Annual financial reports, audit opinions, financial ratio analysis, cash flow, depreciation, pro-forma financial statements.

Assignments:
Accounting Review, all groups submit Cases 4 & 6:
Case 4 – IBP due by Friday, February 8, 2008
Case 6 – MOOG due by February 8, 2008

Group Four – Case 5 – Chrysler due by February 8, 2008

Videoconference #1 – February 2, 2008 (9:30AM in US, 4:30PM in ROM)

Chapter 9 – Cost of Capital

WEIGHTED AVERAGE COST OF CAPITAL, MARGINAL COST OF CAPITAL, INVESTMENT OPPORTUNITY SCHEDULES
Using the costs of each type of capital to calculate the firms WACC/MCC in order to prioritize a firm’s investment opportunity schedule (IOS).

Assignments:
Group Five – Case 26 – Computerized Business Systems due Friday, February 15, 2008

February 9-15, 2008

Chapter 5 – Risk & Return

RISK, RETURN, BETA, CAPM
How to measure return; Risk defined as variability of returns; Seven ways to measure risk; the Capital Asset Pricing Model-CAPM; Security Market Line.

Assignments:
Group One – Case 9 – Wal-Mart due by Friday, February 22, 2008
Group Two – Case 10 – Intel due by February 22, 2008
February 16-22, 2008

Chapter 15 – Distributions to Shareholders: Dividends & Repurchases

DIVIDEND POLICY
Stock dividends, stock splits and stock repurchases; dividend fundamentals; types of dividend policies.

Assignments:
Group Three – Case 28 – Lancaster Colony due February 29, 2008

Videoconference #2 - February 23, 2008 (9:30AM in US, 4:30PM in ROM)

Chapter 10 – Basics of Capital Budgeting: Evaluating Cash Flows
Chapter 11 – Cash Flow Estimation and Risk Analysis

CAPITAL BUDGETING AND CASH FLOW PRINCIPLES;
CAPITAL BUDGETING TECHNIQUES: CERTAINTY AND RISK
The capital budgeting decision process; capital budgeting terminology; the relevant cash flows; finding the initial investment; finding the operating cash inflows; sophisticated and unsophisticated capital budgeting techniques: average rate of return, payback, net present value, the profitability index, the internal rate of return; capital rationing; risk-adjustment techniques: certainty equivalents, risk adjusted discount rates.

Assignments:
Group Four – Case 22 – Florida Power & Light due Friday, March 7, 2008
Group Five – Case 23 – Southwest Airlines due March 7, 2008
Group One – Case 25 – Philip Morris due March 7, 2008

#2 Research Project Due to me – February 24, 2008

Videoconference #3 – March 8, 2008 (9:30AM in US, 4:30PM in ROM)

Chapter 16 – Working Capital Management

SOURCES OF SHORT TERM FINANCING; WORKING CAPITAL FUNDAMENTALS
Cash Budgeting, Credit/collection policy; lines-of-credit and revolving credit agreements; net working capital; sources of financing; the aggressive and conservative financing strategies; a trade-off financing strategy; cash conversion cycle, float; Inventory techniques

Assignments:
Group Two – Cash Budget Exercise due Friday, March 14, 2008
Group Three – Case 30 – Pepsi due March 14, 2008

Group Four – Case 31 – Inn-Room Safe due March 21, 2008
Group Five – Case 32 – Home Depot due March 21, 2008
Videoconference #4 – March 22, 2008 (9:30AM in US, 4:30PM in ROM)

Chapter 14 – Leverage

BREAKEVEN ANALYSIS AND LEVERAGE; FINANCIAL PLANNING
Break-even analysis and its limitations; operating leverage, financial leverage, and total leverage; fixed costs and operating leverage; business and financial risk.

#3 Research Project Due to me – March 22, 2008