

Finance Syllabus Summer 2016



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Focus: How businesses make financial decisions

- ♦ Not a survey of finance, nor much about personal finance
- ♦ For ALL business professionals: questions to ask about decisions

Course Objectives

I. Understand the financial decisions of business managers

- Capital Investment
- Financing with Debt and Equity
- Working Capital Management

II. Understand key tools to make those decisions

- Analyze financial statements and cash flows
- Apply valuation techniques
- Evaluate return and riskS
- Interpret capital structure and dividend policies
- Use exchange rates and call options

Course, Professor and Office Hours



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- CIMBA, Paderno del Grappa, Italy
- Summer term: May 17 to June 10, 2016
 - Block schedule C
- FIN:3000 Introductory Financial Management
 - FIN310 Finance (KU)
- Kelly D. Welch, PhD, CFA
 - kwelch@ku.edu, (785) 864-7614
 - 226E Summerfield Hall, School of Business, The University of Kansas
 - CIMBA office hours
 - ♦ Location: to be determined
 - ♦ 30 minutes before and after class
 - ♦ And by appointment
 - ♦ And frequently via email

Course Materials, Calculator, and Prerequisites

Course Materials will be provided by CIMBA upon your arrival:

- *Essentials of Corporate Finance*, by Ross, Westerfield & Jordan
- Coursepack
 - ♦ Chapter 24 Options from RWJ's *Fundamentals of Corporate Finance*
 - ♦ Lecture notes, homework, and projects in MS Office and *.pdf formats

Bring or buy a calculator

- ♦ Any stand-alone calculator will suffice, preferably with financial functions
- ♦ *Financial functions are useful, but no exam question will require them*
- ♦ Memory must be cleared at the beginning of each exam

Prerequisites

- Math: use algebra, understand series and derivatives
- Accounting: use information from financial statements
- Statistics: random normal distribution, mean, volatility, correlation
- Economics: apply micro and macro concepts

Grading

- Course grades will be curved to this target grade distribution:
 - ♦ A+ to A- 25%
 - ♦ B+ to B- 35%
 - ♦ C+ to C- 30%
 - ♦ D+ to D-, and F 10%
- CIMBA's mandatory Attendance Policy will be enforced
- Homework (10%), must be handwritten, drop 1 lowest score
- Projects (15%), submit electronically, no scores dropped
 - Homework and projects are
 - ♦ Due at the beginning of class
 - ♦ Accepted up to 2 class days late, but the points are worth only half
- Three Quizzes (each 13%) and a Final Exam (36%)
 - Short answer questions, word problems, and a few multiple choice
 - Formula sheets will be provided, excluding formulas to be memorized

Tentative Class Schedule

Week	Class	Lecture Topic	Chapters	Hwk/Project Due Date
1	Tue	Financial Management	1	
		Accounting, Taxes, & Cash Flows	2	
	Wed	Financial Statement Analysis	3	Hwk 1, Hwk 2
	Thu	Timing: Present vs. Future Values	4	Hwk 3, A.BuyStock
Quiz 1-4	Fri	Discounted Cash Flow Valuation	5	Hwk 4
2	Mon	Bonds & Interest Rates	6	
	Tue	Stock Valuation & Equity Markets	7	Hwk 5, B.FCF&Ratios
	Wed	NPV and Investment Criteria	8	Hwk 6, Hwk 7
		Guest speaker		
Quiz 5-8	Thu	Capital Investment Decisions	9	Hwk 8, C.Bonds&Yields

Tentative Class Schedule

Week	Class	Lecture Topic	Chapters	Hwk/Project Due Date
3	Mon	Capital Investment Decisions	9	
	Tue	Capital Market History	10	Hwk 9
	Wed	Portfolio Risk and Return	11	Hwk 10, E>Returns&Risk
		Field Trip or Guest Speaker		
Quiz 9-11	Thu	Cost of Capital	12	Hwk 11
4	Mon	Leverage & Capital Structure	13	
	Tue	Dividends and Raising Capital	14 & 15	Hwk 12, Hwk 13
		Options in Corporate Finance	24	
		Field Trip or Guest Speaker		
	Wed	Foreign Exchange & Int'l Risks	18	Hwk 14&15, Hwk 24, H.Calls
	Thu	ST & WC Financial Management	16 & 17	Hwk 18, Hwk 16&17
Final	Thu	Cumulative Final Exam	Cumulative	

Expected Conduct

- **Class Conduct: Business meeting approach: engage and interact**
 - Distractions should be rare
 - ♦ Put your cell phones and other devices in silent mode.
 - ♦ Don't sleep, read newspapers, check email, talk on phone, arrive late, etc.
- **Academic Conduct**
 - For the homework and projects, you are encouraged to help each other, yet these assignments must be submitted individually as your own work.
 - For the quizzes and exams, you must work solely by yourself, and without access to notes or textbooks.

Academic misconduct will be reported and will incur serious consequences. If you submit an assignment that is not written solely by yourself, or if you cheat on a quiz or exam, then you and your collaborators will receive a zero on that assignment or exam and, in addition, at least a full letter grade reduction in the course.

Student concerns regarding this course should first be discussed with me, the faculty member teaching this course. If we can't resolve the complaint, you may contact the CIMBA Director, Brandelle Unkrich (319-335-1041, brandelle-unkrich@uiowa.edu). The Director will review the details of the complaint and involve the Associate Dean of the Undergraduate Programs, as needed.

Policies

Attendance Policy

Attendance at all classes and CIMBA sanctioned activities is MANDATORY. All unexcused absences will have the following consequences:

- a. 1st absence will result in a loss of a 1/2 of a letter grade in that class
- b. 2nd (cumulative) absence will result in a loss of an entire letter grade in that class
- c. 3rd (cumulative) absence will result in a dismissal from the program

Absences due to illness require a note from the CIMBA Undergraduate Office Staff and/or the Istituto Filippin medical staff. If a student is sick and cannot attend class, he/she must inform the CIMBA Staff immediately. Failure to do so will result in an unexcused absence.

Disability and Medical Accommodations

A student seeking academic accommodations such as a modification of seating, testing, timing, etc. should first register with Student Disability Services, then contact Shannon Lizakowski (shannon-lizakowski@uiowa.edu) in the CIMBA Office to make further arrangements. See <http://sds.studentlife.uiowa.edu> for more information.

We are committed to providing an environment free from sexual harassment.

Sexual harassment subverts the mission of the University and threatens the well-being of students, faculty, and staff. All members of the UI community have a responsibility to uphold this mission and to contribute to a safe environment that enhances learning. Incidents of sexual harassment should be reported immediately. If you feel that you are being or have been harassed or you are not sure what constitutes sexual harassment, we encourage you to visit the University website, www.sexualharassment.uiowa.edu/index.php, and to seek assistance from the CIMBA Director, Brandelle Unkrich, at 319-335-1041 or brandelle-unkrich@uiowa.edu