

Finance Syllabus Summer 2019

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
 - A. Capital Investment
 - B. Financing with Debt and Equity
 - C. Working Capital Management
- II. Understand key tools to make those decisions
 - A. Analyze financial statements and cash flows
 - B. Apply valuation techniques
 - C. Evaluate return and riskS
 - D. Interpret capital structure and dividend policies
 - E. Use exchange rates and call options

Course, Professor and Office Hours

- CIMBA, Paderno del Grappa, Italy
- Summer term: May 21 to June 14, 2019
 - Block schedule A
- FIN:3000 Introductory Financial Management
 - FIN310 Finance (KU)

- Kelly D. Welch, PhD, CFA
 - kwelch@ku.edu, (785) 864-7614
 - 4164 Capitol Federal Hall, School of Business, 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	
	Wed	Accounting, Taxes, & Cash Flows	2	Hwk 1, A.BuyStock
		Financial Statement Analysis	3	
	Thu	Timing: Present vs. Future Values	4	Hwk 2, Hwk 3
Quiz 1-4	Fri	Discounted Cash Flow Valuation	5	Hwk 4
2	Mon	Bonds & Interest Rates	6	
		Guest speaker or Field Trip		
	Tue	Stock Valuation & Equity Markets	7	Hwk 5, B.FCF&Ratios
	Wed	NPV and Investment Criteria	8	Hwk 6, Hwk 7
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	Hwk 12
		Field Trip or Guest Speaker		
		Dividends and Raising Capital	14 & 15	
	Tue	Options in Corporate Finance	24	Hwk 13, Hwk 14&15
	Wed	Foreign Exchange & Int'l Risks	18	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: The Tippie College of Business at the University of Iowa follows an honor code regarding academic misconduct. That code can be found at <https://tippie.uiowa.edu/sites/tippie.uiowa.edu/files/documents/tippie-honor-code.pdf> and includes cheating, plagiarism, unauthorized collaboration, obtaining an unfair advantage, forgery, facilitating academic dishonesty, and misrepresentation. Be sure you are familiar with this code. Students who exhibit academic dishonesty will receive a zero (0) for the assignment or examination involved and may receive an "F" for the class. All incidents of cheating will be reported to the CIMBA staff, as well as to the Senior Associate Dean of the Tippie College of Business. The decision of the professor may be appealed to a Judicial Board. The Honor Code for the Tippie College of Business will determine the appropriate appeal process.

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 Office 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.

Grievance Policy: 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 Interim Director, Stephanie Schnicker (319-335-1041, stephanie-schnicker@uiowa.edu). The Director will review the details of the complaint and involve the Associate Dean of the Undergraduate Programs, as needed.

Accommodating Students with Disabilities/Academic Accommodations: A student seeking academic accommodations such as a modification of seating, testing, timing, etc. should first register with Student Disability Services, then contact the CIMBA Italy Office (cimba-italy@uiowa.edu) to make further arrangements. See <http://sds.studentlife.uiowa.edu> for more information.

Mental Health: Students are encouraged to be mindful of their mental health and seek help if they are feeling overwhelmed or incapable of meeting course expectations. For assistance with the class, students are encouraged to talk to the faculty member. For additional advice or support, students are encouraged to contact the CIMBA front office for assistance in seeking additional resources.

Sexual Harassment: Sexual harassment subverts the mission of the University and threatens the well-being of students, faculty, and staff. The University will not tolerate sexual harassment, nor will it tolerate unwelcomed behavior of a sexual nature toward members of the University community when that behavior creates an intimidating or hostile environment for employment, education, on-campus living, or participation in a University activity. As a member of the university community you have a responsibility to report concerns of sexual harassment immediately to the CIMBA Director, Stephanie Schnicker, at 319-335-1041 or stephanie-schnicker@uiowa.edu.