

Finance Syllabus Summer 2022

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 23 to June 17, 2022
- FIN:3000 Introductory Financial Management (Iowa)
 - 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
 - ♦ Mostly via email
 - ♦ Available by appointment, for example 30 minutes before and after class

Course Materials, Calculator, and Prerequisites

Course Materials will be provided by CIMBA upon your arrival:

- *Essentials of Corporate Finance*, by Ross, Westerfield & Jordan
- Coursepack of lecture notes
- On Canvas: Homework and projects
 - ♦ Chapter 24 Options from RWJ's *Fundamentals of Corporate Finance*

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%), no scores dropped
 - Homework and projects are
 - ◆ 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		Financial Management	1	
		Accounting, Taxes, & Cash Flows	2	Hwk 1, A.BuyStock
		Financial Statement Analysis	3	
		Timing: Present vs. Future Values	4	Hwk 2, Hwk 3
Quiz 1-4		Discounted Cash Flow Valuation	5	Hwk 4
2		Bonds & Interest Rates	6	
		Guest speaker or Field Trip		
		Stock Valuation & Equity Markets	7	Hwk 5, B.FCF&Ratios
		NPV and Investment Criteria	8	Hwk 6, Hwk 7
Quiz 5-8		Capital Investment Decisions	9	Hwk 8, C.Bonds&Yields

Tentative Class Schedule

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

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 1/3 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 Director, Cristina Turchet (front office for appointments or phone +39 0423 932160 or turchet@cimba.it). The Director will review the details of the complaint and involve the Associate Dean of the Undergraduate Programs, as needed.

Policies

Academic Misconduct: Integrity is a reflection of your character and is critical for creating meaningful and lasting relationships. One part of integrity is abstaining from acts like cheating, so cheating on any assignment in this class will result in an appropriate consequence, usually a zero for the grade in question and, if that penalty does not reduce the grade, a penalty of a full letter grade reduction. In addition, all incidents of cheating will be reported to the appropriate academic offices, and the student may be placed on disciplinary probation, be suspended, or even permanently expelled, depending on the severity of the offense. If a student has been found in violation of this policy, they will first be notified directly, then I will report to the appropriate program office.

Accommodating Students with Disabilities/Academic Accommodations: A student seeking academic accommodations such as a modification of seating, testing, timing, etc. should first register with their home institution's Student Disability Services, then contact Jorge Salamanca-Chavez (jorge@cimba.it) in the CIMBA Office to make further arrangements.

Fairness and Freedom of Expression: Every student is entitled to the same intellectual freedom I have. I will respect that freedom, and I am obliged to protect your freedom to learn, regardless of your religion, race, sex, sexual orientation, gender identity, or political views, or on your agreement or disagreement with my positions pertaining to matters of controversy within the discipline. I will do my best to provide you with a fair and impartial evaluation of your work, consistent with articulated standards for this course.

Sexual Harassment: Sexual harassment subverts the mission of the Program and threatens the well-being of students, faculty, and staff. All members of the CIMBA 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 seek assistance from the CIMBA Director, Cristina Turchet at the front office or phone +39 0423 932160 or turchet@cimba.it.

Sustainability: The Program is committed to demonstrating sustainability practices within all facets of the institution. Student support is critical to our campus wide efforts to reduce waste by consuming as few natural resources as possible and purchasing recycled materials when feasible. Recycling and reuse of all materials is encouraged. Together, let's ensure a better world for us and future generations.

Mental Health: Students are encouraged to be mindful of their mental health and seek help if they are feeling overwhelmed and/or incapable of meeting course expectations. For assistance with the class, students are encouraged to talk to the faculty member. The CIMBA travel insurance will cover online counseling services. Please reach out to the CIMBA office for more details and support. After hours, we encourage you to call the emergency phone number at CIMBA if you are having a mental health emergency.