

COURSE SYLLABUS

Fall 1997

Course No. And Title: ACCT 251-51 Financial Management

No. Of Credits: 3

Catalog Description: The course gives the student a solid foundation in the concepts, theories and techniques applicable to the financial administration of a firm. Concepts include: time value of money, basic instruments of financing, capitalization, cost of capital, marketing of securities, capital budgeting, the role of risk in decision making, and international aspects of financial management.

General Objectives: The principal objective of the course is to establish a foundation on the logic of financial decision making to maximize the equity value of a firm. The focus of the course is on the corporation and its financial decision making. However, many of the fundamental concepts and tools introduced apply to other areas of business and to personal financial management.

Specific Objectives: At the conclusion of this course, the student will be able to:

1. List the basic types of financial management decisions and state the goal of financial management..
2. Explain the difference between accounting valuation and market valuation.
3. Calculate the future value of an investment, the present value of cash flows, and the return on an investment.
4. Explain the importance of interest rate fluctuations on financial decisions and the difference between real and nominal rates of return.
5. Describe how interest rates are quoted.
6. Interpret how bonds and stocks are valued and quoted.
7. Analyze investment decisions using the Net Present Value and the Internal Rate of Return criterion.
8. Analyze a project's projected cash flows.
9. Explain the relation between risk and return and demonstrate how risk is priced in the markets.
10. Define the difference between systematic and unsystematic risks.
11. Describe the Capital Asset Pricing Model.
12. Calculate a firm's cost of debt, equity capital and overall costs of capital.
13. Demonstrate how securities are sold to the public and the role of investment banks.

14. Explain the effect of financial leverage on a firm.
15. List dividend types and describe how dividends are paid.
16. Describe the different types of short-term financial policies.
17. Demonstrate how firms manage their cash, receivables and inventory.
18. Interpret how exchange rates are quoted, explain the purchase power parity theory, and describe methods firms use to manage foreign exchange risk.

Textbook: Ross, Westerfield, Jordan. Essentials of Corporate Finance. 1996, Irwin. Student Problem Manual for use with Essentials of Corporate Finance.

Suggested

Readings: Financial Times, Economist, Wall Street Journal, Investors Business Daily

Viewing: Moneyline, Wall Street in Review, Nightly Business Report, CNNfn, Bloomberg Business News

Webpages: CNN market news can be found at; <http://cnnfn.com>

Supplies: A financial calculator is highly recommended.

Learning Plan: Students will read assigned chapters (see below) prior to the scheduled class meetings. Class time will be spent reviewing the assigned chapters, then answering questions and working out problems in the textbook and student problem manual.

Study Plan and Assignments:

Assignments from the Student Manual must be turned in by the end of class on the due date. Clearly identify your assignments! In the upper right hand corner of the first page write your name, course number, and CHAPTER NUMBER. Multiple page assignments must be stapled together. Work not clearly identified will not be accepted. Work will not be accepted past assignment due dates.

Concept Test assignments "CT" include all questions from the Concept Test section for the given chapter in the Student Problem Manual. Specific problems for each chapter will be assigned from the Problems section of the Student Problem Manual.

<u>Class Date/ Due Dates</u>	<u>Topic</u>	<u>Pre-Class Reading</u>	<u>Assignments from Student Manual</u>
8/25	Intro. to Financial Mgt.	Ch.1	
8/27	Financial Statements	Ch.2	Ch.1, Concept Test "CT". Ch.2, CT & Problems 1-7
9/3	Future Value of Money	Ch.5	Ch.5, CT & Problems 1-10
9/8	Discounted Cash Flow	Ch.6,7	Ch.6, CT & Problems 1-6
9/10	Stock and Bond Valuation	Ch.7	Ch.7, CT & Problems 1-4,6,7
9/15	Net Present Value	Ch.8	Ch.8, CT

Date: August, 1995 DIVISION DIRECTOR

Wilfred H. Beaupre
Signature