**Financial Management**

**MASY1-GC 1220 | 101 | Fall 2024 | 9/05/2024 - 12/14/2024 | Thursdays | 3 Credits**

**Modality:** In-Person

**Course Site URL:** <https://brightspace.nyu.edu>

**General Course Information**

**Name/Title:** John Ladyzinski, Adjunct Assistant Professor, He/Him/His

**NYU Email:** john.ladyzinski@nyu.edu

**Class Meeting Schedule:** 9/05/2024 - 12/12/2024 | Thursdays | 2:00 pm - 4:35 pm

**Class Location:** 20 W 43rd Room 413

**Office Hours:** By Appointment, NYU Zoom, email, or phone. Please send an email to schedule an appointment.

**Description**

This course covers current financial and managerial accounting methods and their function within the information system of decision making. Topics include accounting theory and concepts, financial statement analysis as well as financial analysis for evaluation and decision-making. The course also focuses on capital investment analysis, financial models, and the legal ramifications of technological advances in the finance industry. Students learn to apply financial management principles, techniques, and best practices to analyze a firm’s finances. The course prepares students to study financial risk management and entrepreneurship.

**Prerequisites**

N/A

**Learning Outcomes**

At the conclusion of this course, students will be able to:

1. Analyze financial statements utilizing generally accepted accounting principles (GAAP) to assess financial health of the organization and inform decision making
2. Apply the Time Value of Money theory in making financial decisions and evaluating competing projects
3. Apply the basics of financial markets in making financial decisions
4. Apply knowledge of capital markets to meet a firm's capital needs and investment decisions
5. Develop organizational financial plans using financial modeling techniques

Communication Methods

Be sure to turn on your [NYU Brightspace notifications](https://www.nyu.edu/servicelink/KB0018507) and frequently check the “Announcements” section of the course site. This will be the primary method I use to communicate information critical to your success in the course. To contact me, send me an email. I will respond within 24 hours.

Credit students must use their NYU email to communicate. Non-degree students do not have NYU email addresses. Brightspace course mail supports student privacy and FERPA guidelines. The instructor will use the NYU email address to communicate with students. All email inquiries will be answered within 24 hours.

**Structure | Method | Modality**

There are 14 session topics in this course. The session topics are organized into three (3) areas of study: 1) Overview of Financial Management/Analysis of Financial Statements, 2) Interest Rates, Bonds and their valuations, Stock and their valuations, and 3) Capital Budgeting, Cash Flow Estimation & Risk Analysis, Capital Structure & Leverage.

Active learning experiences and small group projects are key components of the course. Assignments, papers, and exams will be based on course materials (e.g., readings, videos), lectures, and class discussions. Course sessions will be conducted in-person. You can access from the course site in [NYU Brightspace](https://brightspace.nyu.edu/).

**Expectations**

Learning Environment

You play an important role in creating and sustaining an intellectually rigorous and inclusive classroom culture. Respectful engagement, diverse thinking, and our lived experiences are central to this course and enrich our learning community.

Participation

You are integral to the learning experience in this class. Active participation in class discussion is an important part of the classroom experience. The goal is to learn from others and allow them to learn from you. All contributions count, including questioning, listening, and responding. Prior to class, make sure you prepare by reviewing the current readings and topics in relation to the course. Other ways to contribute to the class include building on what someone else has said, paraphrasing a point someone has already made and build on it, or disagreeing with someone (including the instructor) in a respectful and constructive way. Be prepared to actively contribute to class activities, group discussions, and work outside of class.

Assignments and Deadlines

Forum: Are CEOs paid too Much Due September 12

Problems: 3.1, 3.2 Due September 19

Forum: Investments Due October 17

Problems: 7.1, 7.2 Due October 24

Problems: 12.1, 12.2 Due November 28

Forum: Financial Management Due December 5

Course Technology Use

We will utilize multiple technologies to achieve the course goals. I expect you to use technology in ways that enhance the learning environment for all students. Some class sessions might require use of Zoom.All class sessions require use of technology (e.g., laptop, computer lab) for learning purposes.

**Generative AI Use**

**Not permitted**

You can only learn from the work you do. Unless otherwise stated, you should not use generative AI tools to create any part of an assignment in this course; every submission should be entirely your work (for example from an NYU course).

This course assumes that work submitted by students – all process work, drafts, brainstorming artifacts, final works – will be generated by the students themselves, working individually or in groups as directed by class assignment instructions. As will any other class work generated by anyone other than the students (by other students, by a company, or by using generative AI tools), use can be a violation of Academic Integrity policy (adapted example from [University of Texas, Austin](https://ctl.utexas.edu/chatgpt-and-generative-ai-tools-sample-syllabus-policy-statements)).

Feedback and Viewing Grades

I will provide timely meaningful feedback on all your work via our course site in NYU Brightspace. You can access your grades on the course site Gradebook.

Attendance

Students are expected to attend all on-line class sessions. Excused absences are granted in cases of documented serious illness, family emergency, religious observance, or civic obligation. In the case of religious observance or civic obligation, this should be reported in advance. Unexcused absences from sessions may have a negative impact on a student’s final grade. Students are responsible for assignments given during any absence.

If for some reason (excused absence) you will not be in class, you must notify the instructor prior to the scheduled session if you will not be attending and the reason.

Each unexcused absence or being late may result in a student’s grade being lowered by a fraction of a grade. A student who has three unexcused absences may earn a Fail grade.

Students who join the course during add/drop are responsible for ensuring that they identify what assignments and preparatory work they have missed and complete and submit those per the syllabus.

Refer to the [SPS Policies and Procedures page](https://www.sps.nyu.edu/homepage/student-experience/policies-and-procedures.html) for additional information about attendance.

**Textbooks and Course Materials**

**Title:** Fundamentals of Financial Management, **Concise** Edition, **11th** ed., 2022

**Authors:** Eugene F. Brigham and Joel F. Houston

**Publisher:** Cengage Learning

**ISBN-13:** 978-0357517710

**ISBN-10:** 0357517717

*Students can purchase these items through the NYU Bookstore.*

**Grading | Assessment**

Your grade in this course is based on your performance on multiple activities and assignments. Since all graded assignments are related directly to course objectives and learning outcomes, failure to complete any assignment will result in an unsatisfactory course grade. All written assignments are to be completed using APA format and must be typed and double-spaced. Grammar, punctuation, and spelling will be considered in grading. Please carefully proof-read your written assignments before submitting them for a grade. I will update the grades on the course site each time a grading session has been completed— typically three (3) days following the completion of an activity.

**DESCRIPTION** **PERCENTAGE**

Homework & Forums 15%

Participation 10%

Exam #1 25%

Exam #2 25%

Final Exam 25%

**TOTAL POSSIBLE 100%**

See the [“Grades” section of Academic Policies](https://www.sps.nyu.edu/homepage/student-experience/policies-and-procedures.html#Graduate1) for the complete grading policy, including the letter grade conversion, and the criteria for a grade of incomplete, taking a course on a pass/fail basis, and withdrawing from a course.

**NYU SPS Graduate Grading Scale**

|  |  |  |  |
| --- | --- | --- | --- |
| **A** | 95-100 | 4.000 | **Exceptional:** Demonstrates exceptional mastery of all learning outcomes of the course and thorough and complete understanding of all concepts. |
| **A-** | 90-94 | 3.667 | **Excellent:** Demonstrates highly competent mastery of all learning outcomes of the course and strong understanding of all concepts. |
| **B+** | 87-89 | 3.333 | **Very Good; exceeds course standards:** Demonstrates mastery of all learning outcomes of the course and understanding of core concepts. |
| **B** | 83-86 | 3.000 | **Good; meets course standards:** Demonstrates mastery of some learning outcomes; understanding of some core concepts could be improved. |
| **B-** | 80-82 | 2.667 | **Somewhat Satisfactory;** meets some course standards and requires improvement: Demonstrates basic understanding of some learning outcomes; improved understanding of all core concepts is needed. |
| **C+** | 77-79 | 2.333 | **Less than Satisfactory; requires significant improvement:** Demonstrates partial understanding of all learning outcomes and core concepts; requires significant improvement. |
| **C** | 73-76 | 2.000 | **Unsatisfactory; requires substantial improvement:** Demonstrates partial understanding of some learning outcomes and core concepts; requires substantial improvement. |
| **C-** | 70-72 | 1.667 | **Unsatisfactory; requires extensive improvement:** Demonstrates poor understanding of all learning outcomes and core concepts; requires extensive improvement. |
| **F** | Below 70 |  | **Fail:** Demonstrates minimal to no understanding of all key learning outcomes and core concepts; work is unworthy of course credit towards the degree. |
| **P** |  |  | **Passing:** If a Pass/Fail grade is allowed, the choice of pass/fail must be made prior to the completion of the fifth week of the term. |

**Course Outline**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **#** | **Date** | **Material Covered** | **Readings** | **Assignment** | **Due Date** |
| **1** | 5-Sep | An Overview of Financial Management Financial Markets and Institutions | FoFM Ch 1,2 | *Forum* | 12-Sep |
| **2** | 12-Sep | Financial Statements, Cash Flow, & Taxes | FoFM Ch 3 | *Question  3.1, 3.2* | 19-Sep |
| **3** | 19-Sep | Analysis of Financial Statements | FoFM Ch 4 | *Sample Quiz* |  |
| **4** | 26-Sep | Time Value of Money | FoFM Ch 5 |  |  |
| **5** | **3-Oct** | **Exam #1** | **FoFM Ch 1-5 Articles, Forums, etc** | | |
| **6** | 10-Oct | Interest Rates Bonds and Their Valuation | FoFM Ch 6,7 | *Forum* | 17-Oct |
| **7** | 17-Oct | Bonds and Their Valuation Risk and Rates of Return | FoFM Ch 7,8 | *Question  7.1, 7.2* | 24-Oct |
| **8** | 24-Oct | Stocks and Their Valuation | FoFM Ch 9 |  |  |
| **9** | **31-Oct** | **Exam #2** | **FoFM Ch 6-9 Articles, Forums, etc** | | |
| **10** | 7-Nov | The Basics of Capital Budgeting | FoFM Ch 11 |  |  |
| **11** | 14-Nov | Cash Flow Estimation & Risk Analysis | FoFM Ch 12 | *Question  12.1, 12.2* | 28-Nov |
|  | 21-Nov | No Class: Thanksgiving Recess |  |  |  |
| **12** | 28-Nov | Capital Structure and Leverage | FoFM Ch 14 | *Forum* | 5-Dec |
| **13** | 5-Dec | Distributions to Shareholders | FoFM Ch 15 |  |  |
| **14** | **12-Dec** | **Final Exam** | **FoFM: 11-15 Articles, Forums, etc** | | |

**FoFM =** Fundamentals of Financial Management Concise Edition, 11th ed., 2022

**Course Outline**

**Start/End Dates:** 9/05/2024 - 12/12/2024 | Thursdays

**Time:** 2:00 pm - 4:35 pm

**No Class Date(s):** Thursday, 11/28/24, Thanksgiving Recess

**Special Notes:** N/A

**Session 1 - 09/05/24**

**Lesson #1: Course Introduction**

**Chapter 1: An Overview of Financial Management**

* What Is Finance?
* Forms of Business Organization
* The Main Financial Goal: Creating Value for Investors
* Stockholder–Manager Conflicts
* Stockholder–Debtholder Conflicts
* Balancing Shareholder Interests & the Interests of Society
* Business Ethics

**Chapter 2: Financial Markets and Institutions the Emergency Management Function**

* The Capital Allocation Process
* Financial Markets
* Financial Institutions
* The Stock Market
* The Market for Common Stock
* Stock Markets and Returns
* Stock Market Efficiency

Read Fundamentals of Financial Management, Chapter 1,2 prior to class.

Homework: None

Forum: Are CEOs Paid too Much? 2 (due prior to next class)

**Session 2 – 09/12/24**

**Lesson #2: Chapter 3: Financial Statements, Cash Flow, & Taxes**

* Financial Statements and Reports
* The Balance Sheet
* The Income Statement
* Statement of Cash Flows
* Statement of Stockholders’ Equity
* Uses and Limitations of Financial Statements
* Free Cash Flow
* MVA and EVA
* Income Taxes

Read Fundamentals of Financial Management, Chapter 3 prior to class.

Homework: Chapter Problems 3.1 & 3.2 (due prior to next class)

Forum: None

**Session 3, 09/19/24**

**Lesson #3: Chapter 4: Analysis of Financial Statements**

* Ratio Analysis
* Liquidity Ratios
* Asset Management Ratios
* Debt Management Ratios
* Profitability Ratios
* Market Value Ratios
* Tying the Ratios Together: The DuPont Equation
* Potential Misuses of ROE
* Using Financial Ratios to Assess Performance
* Uses and Limitations of Ratios
* Looking Beyond the Numbers

Read Fundamentals of Financial Management, Chapter 4 prior to class.

Homework: None

Forum: None

**Session 4, 09/26/24**

**Lesson #4: Chapter 5: Time Value of Money**

* Time Lines
* Present/Future Values
* Annuities
* Ordinary Annuity / Annuity Due
* Perpetuities
* Uneven Cash Flows
* Compounding
* Comparing Interest Rates
* Amortized Loans

Read Fundamentals of Financial Management, Chapter 5 prior to class.

Homework: None

Forum: None

**Session 5, 10/03/24**

**Lesson #5: Exam #1**

**Fundamentals of Financial Management, 11e, Chapter 1-5**

Review Fundamentals of Financial Management, 11e, Chapter 1-5 prior to class.

Homework: None

Forum: None

**Session 6, 10/10/24**

**Lesson #6: Chapter 6: Interest Rates**

* The Cost of Money
* Interest Rate Levels
* The Determinants of Market Interest Rates
* The Term Structure of Interest Rates
* What Determines the Shape of the Yield Curve?
* Using the Yield Curve to Estimate Future Interest Rates
* Macroeconomic Factors That Influence Interest Rate Levels
* Interest Rates and Business Decisions
* Chapter 7: Bonds and Their Valuation
* Changes in Bond Values over Time
* Bonds with Semiannual Coupons
* Assessing a Bond’s Riskiness
* Default Risk
* Bond Markets

**Chapter 7: Bonds and Their Valuation**

* Changes in Bond Values over Time
* Bonds with Semiannual Coupons
* Assessing a Bond’s Riskiness
* Default Risk
* Bond Markets

Read Fundamentals of Financial Management, Chapter 6,7 prior to class.

Homework: None

Forum: Financial Management (due prior to next class)

**Session 7, 10/17/24**

**Chapter 7: Bonds and Their Valuation**

* Changes in Bond Values over Time
* Bonds with Semiannual Coupons
* Assessing a Bond’s Riskiness
* Default Risk
* Bond Markets

**Chapter 8: Risk and Rates of Return**

* The Risk/Return Tradeoff
* Stand-alone Risk
* Risk in a Portfolio Context: CAPM
* The Relationship between Risk and Rates of Return
* Some Concerns about Beta and the CAPM

Read Fundamentals of Financial Management, Chapter 7,8 prior to class.

Homework: None

Forum: Financial Management (due prior to next class)

**Session 8, 10/24/24**

**Chapter 9: Stocks and their Valuation**

* Legal Rights and Privileges of Common Stockholders
* Types of Common Stock
* Stock Price versus Intrinsic Value
* The Discounted Dividend Model
* Constant Growth Stocks
* Valuing Nonconstant Growth Stocks
* Enterprise-Based Approach to Valuation
* Preferred Stock

Read Fundamentals of Financial Management, Chapter 9 prior to class.

Homework: None

Forum: None

**Session 9, 10/31/24**

**Lesson #9: Exam #2**

Fundamentals of Financial Management, Chapter 6-9

Review Fundamentals of Financial Management, 11e, Chapter 6-9 prior to class.

Homework: None

Forum: None

**Session 10, 11/07/24**

**Chapter 11: The Basics of Capital Budgeting**

* An Overview of Capital Budgeting
* Net Present Value (NPV)
* Internal Rate of Return (IRR)
* Multiple Internal Rates of Return
* Reinvestment Rate Assumptions
* Modified Internal Rate of Return (MIRR)
* NPV Profiles
* Payback Period
* Conclusions on Capital Budgeting Methods
* Decision Criteria Used in Practice

Read Fundamentals of Financial Management, Chapter 11 prior to class.

Homework: None

Forum: None

**Session 11, 11/14/24**

**Chapter 12: Cash Flow Estimation & Risk Analysis**

* Conceptual Issues in Cash Flow Estimation
* Analysis of an Expansion Project
* Replacement Analysis
* Measuring Stand-Alone Risk
* The Optimal Capital Budget

Read Fundamentals of Financial Management, Chapter 12 prior to class.

Homework: Chapter Problems 12.1 & 12.2 (due prior to next class)

Forum: None

**Session 12, 11/28/24**

**Chapter 14: Capital Structure & Leverage**

* Business and Financial Risk
* Determining the Optimal Capital Structure
* Capital Structure Theory
* Variations in Capital Structures

Read Fundamentals of Financial Management, Chapter 14 prior to class.

Homework: None

Forum: Financial Management (due prior to next class)

**Session 13, 12/05/24**

**Chapter 15: Distribution to Shareholders**

* Dividends versus Capital Gains: What Do Investors Prefer?
* Dividend Reinvestment Plans
* Stock Dividends and Stock Splits
* Stock Repurchases

Read Fundamentals of Financial Management, Chapter 15 prior to class.

Homework: None

Forum: None

**Session 14, 12/12/24**

**Lesson #14: Final Exam**

Fundamentals of Financial Management, Chapter 1-9, 11-12, 14-15

Forums, Assignments, Articles, Class Discussions

**NOTES:**

The syllabus may be modified to better meet the needs of students and to achieve the learning outcomes.

The School of Professional Studies (SPS) and its faculty celebrate and are committed to inclusion, diversity, belonging, equity, and accessibility (IDBEA), and seek to embody the IDBEA values. The School of Professional Studies (SPS), its faculty, staff, and students are committed to creating a mutually respectful and safe environment (*from the* [*SPS IDBEA Committee*](https://www.sps.nyu.edu/homepage/about-us/idbea/about-idbea.html)).

**New York University School of Professional Studies Policies**

1. Policies - You are responsible for reading, understanding, and complying with [University Policies and Guidelines](http://www.nyu.edu/about/policies-guidelines-compliance.html), [NYU SPS Policies and Procedures](http://sps.nyu.edu/academics/academic-policies-and-procedures.html), and [Student Affairs and Reporting](https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/student-services.html).

2. Learning/Academic Accommodations - New York University is committed to providing equal educational opportunity and participation for students who disclose their dis/ability to the [Moses Center for Student Accessibility](https://www.nyu.edu/students/communities-and-groups/student-accessibility.html). If you are interested in applying for academic accommodations, contact the [Moses Center](https://www.nyu.edu/students/communities-and-groups/student-accessibility/academic.html) as early as possible in the semester. If you already receive accommodations through the Moses Center, request your accommodation letters through the [Moses Center Portal](https://www.nyu.edu/students/communities-and-groups/student-accessibility.html) as soon as possible ([mosescsa@nyu.edu](mailto:mosescsa@nyu.edu) | 212-998-4980).

3. Health and Wellness - To access the University's extensive health and mental health resources, contact the [NYU Wellness Exchange](https://www.nyu.edu/students/health-and-wellness/wellness-exchange.html). You can call its private hotline (212-443-9999), available 24 hours a day, seven days a week, to reach out to a professional who can help to address day-to-day challenges as well as other health-related concerns.

4. Student Support Resources - There are a range of resources at SPS and NYU to support your learning and professional growth. For a complete list of resources and services available to SPS students, visit the [NYU SPS Office of Student Affairs site](https://www.sps.nyu.edu/homepage/student-experience/resources-and-services.html).

5. Religious Observance - As a nonsectarian, inclusive institution, NYU policy permits members of any religious group to absent themselves from classes without penalty when required for compliance with their religious obligations. Refer to the [University Calendar Policy on Religious Holidays](https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/university-calendar-policy-on-religious-holidays.html) for the complete policy.

6. Academic Integrity and Plagiarism - You are expected to be honest and ethical in all academic work. Moreover, you are expected to demonstrate how what you have learned incorporates an understanding of the research and expertise of scholars and other appropriate experts; and thus, recognizing others' published work or teachings—whether that of authors, lecturers, or one's peers—is a required practice in all academic projects.

Plagiarism involves borrowing or using information from other sources without proper and full credit. You are subject to disciplinary actions for the following offenses which include but are not limited to cheating, plagiarism, forgery or unauthorized use of documents, and false form of identification

[Turnitin](https://www.nyu.edu/servicelink/KB0018471), an originality detection service in NYU Brightspace, may be used in this course to check your work for plagiarism.

Read more about academic integrity policies at the NYU School of Professional Studies on the [Academic Policies for NYU SPS Students](https://www.sps.nyu.edu/homepage/student-experience/policies-and-procedures.html) page.

7. Use of Third-Party Tools - During this class, you may be required to use non-NYU apps/platforms/software as a part of course studies, and thus, will be required to agree to the “Terms of Use” (TOU) associated with such apps/platforms/software.

These services may require you to create an account but you can use a pseudonym (which may not identify you to the public community, but which may still identify you by IP address to the company and companies with whom it shares data).

You should carefully read those terms of use regarding the impact on your privacy rights and intellectual property rights. If you have any questions regarding those terms of use or the impact on the class, you are encouraged to ask the instructor prior to the add/drop deadline.