# Course Description

This course provides the basic fundamentals of corporate finance. Emphasis is placed on firm valuation using time value of money and financial structure through capital budgeting. Corporate decisions to increase stock value with an understanding of risk verses reward. The course also evaluates the impact of liquidity, solvency and profitability in creating shareholder value.

# University Learning Outcomes (ULO)

* **ULO1**:Knowledge of Human Cultures and the Physical and Natural World
* **ULO2**: Intellectual and Practical Skills
* **ULO3**: Personal and Social Responsibility
* **ULO4**: Integrative and Applied Learning
* **ULO5**: Immersed in the Critical Concerns of the Sisters of Mercy of the Americas

# Program Learning Outcomes (PLO)

* **PLO1**: Students will effectively research and communicate in writing (in APA format) ideas and arguments associated with business leadership and management issues. (ULO 1, 3, 4)
* **PLO2**: Students will apply knowledge and skills to develop a comprehensive business plan which demonstrates competency in the following areas: management, operations, finance, and marketing. (ULO 2, 4)
* **PLO3**: Apply critical thinking to real life work problems through the application of theoretical and experiential knowledge. (ULO 1, 2, 4)
* **PLO4**: Students will identify issues and strategies related to ethics and corporate social responsibility and its implications for business. (ULO 2, 3, 4)

# Course Learning Outcomes (CLO)

* **CLO1**: Evaluate various projects using the major capital budgeting techniques.
* **CLO2**: Apply time value of money concepts to financial decision making.
* **CLO3**: Determine the theoretical value of major financial securities.
* **CLO4:** Use financial ratios to measure a company’s well-being.

**Student Expectations**

Students are expected to:

* Ask probing and insightful questions related to course content.
* Make meaningful and relevant connections and application to their own learning process.
* Be productive and contributing members of class discussions.

# Required Course Materials

No textbook purchase is required for this course.

# Suggested Point Values

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Assessment** | **Point Value** | **Due** |
| **Module 1** | |  |  |
|  | Capital Budgeting Process Statement | 15 | <insert due date> |
|  | Module One Worksheet | 10 |  |
| **Module 2** | |  |  |
|  | Module Two Worksheet | 10 |  |
|  | Corporate Investment and Financing Options Analysis | 20 |  |
|  | Organizational Financing Options Comparison | 20 |  |
| **Module 3** | |  |  |
|  | Business Performance Analysis | 25 |  |
| **Total Points** | | **100** |  |

# Weekly Learning Modules

|  |  |  |  |
| --- | --- | --- | --- |
| Module One: The Capital Budgeting Process & Major Capital Budgeting Techniques | |  | |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Relate the Capital Budgeting Process to corporate decision-making. | | CLO1 | |
| * 1. Evaluate capital projects from a corporate financial perspective. | | CLO1, CLO2 | |
| * 1. Compare financial analysis of capital projects to organizational strategic goals. | | CLO1, CLO2 | |
| * 1. Analyze the impact of the political, business, and economic environment on potential capital projects. | | CLO1, CLO2 | |
| ***Required Learning Resources and Activities****: Students must complete any resources and activities listed in this section as selected by the instructor.* | | ***Alignment*** | ***AIE*** |
| **Tutorials**  **Review** the tutorials available on Blackboard as needed.  **Click** the **Student Resources** button from the menu on the left. | | N/A | N/A |
| **Instructional Videos**  **Watch** the following videos:   * Capital Budgeting Overview, at <https://youtu.be/T70OXpYTy3g> * Capital Budgeting NPV, Part 1, at <https://youtu.be/ZeFc8qXEoa8> * Capital Budgeting Lecture, at <https://youtu.be/TrKVj_wLgUc> * Capital Budgeting Part One – Introduction and Payback Period, at <https://youtu.be/Pq67NLTCaa0> * Capital Budgeting Part Two – Calculating Internal Rate of Return, at <https://youtu.be/OWk9e4Ps0y8> * Capital Budgeting Part Three – Calculating Net Present Value, at <https://youtu.be/pN-iGoqmGSA> * Capital Budgeting Part Four – Analysis of Decision, at <https://youtu.be/q_tfPX9u8w4>   **Post** any questions you have regarding the material presented here in the Module Questions Forum and your instructor will respond. | | 1.1, 1.2, 1.3, 1.4 | Instructional Videos – 2.5 hour |
| **Capital Budgeting Process Infographic**  **Navigate** through the Capital Budgeting Process Infographic.  **Note** the importance and impact of each step on the overall process.  **Post** any questions you have regarding the process in the Module Questions Forum and your instructor will respond. | | 1.1 | Instructional Multimedia – 1 hour |
| **Total** |  |  |  |
| ***Assignments****: Students must complete the weekly assignment(s).* | | ***Alignment*** | ***AIE*** |
| **Capital Budgeting Process Statement**  **Compose** a 2- to 3-page statement in which you relate each step of the corporate budgeting process to corporate decision making.  **Format** your statement according to current APA standards  **Submit** your statement. | | 1.1 | Reflection Paper – 2 hour |
| **Module One Worksheet**  **Complete** the Module One Worksheet. | | 1.2, 1.3, 1.4 |  |
| **Total** |  |  | **5.5** |

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| Module Two: Using Time Value of Money and Stocks and Bonds in Corporate Decisions | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Apply present value and discounting, compound interest, and annuities and amortization to corporate decision-making. | | CLO2 | |
| * 1. Evaluate the potential risk and return of corporate investment and financing options. | | CLO2, CLO3 | |
| * 1. Distinguish advantages and disadvantages of issuing stocks and bonds for corporate financing. | | CLO2, CLO3 | |
| ***Required Learning Resources and Activities****: Students must complete any resources and activities listed in this section as selected by the instructor.* | | ***Alignment*** | ***AIE*** |
| **Instructional Videos**  **Watch** the following videos:   * Financial Ratios -- Liquidity, Asset Management and Debt Management, at <https://youtu.be/_43qbh8Bzwk> * Capital Rationing & Profitability Index, at <https://youtu.be/qOjLLRFsp1I> * Capital Budgeting Profitability Index, at <https://youtu.be/lJBoyUqdEdw>   **Review** Capital Budgeting Part Four -- Analysis of Decision, at <https://youtu.be/q_tfPX9u8w4>  **Post** any questions you have regarding the material presented here in the Module Questions Forum and your instructor will respond. | | 2.1, 2.2, 2.3 | Instructional Videos – 1.5 hour |
| **Total** |  |  |  |
| ***Assignments****: Students must complete the weekly assignment(s).* | | ***Alignment*** | ***AIE*** |
| **Module Two Worksheet**  **Complete** the Module Two Worksheet. | | 2.1 |  |
| **Corporate Investment and Financing Options Analysis**  **Compose** a 2– to 3–page statement in which you analyze the risk and return of corporate investments and financing options.  **Include** analysis of the following in your statement:   * High-yield corporate bonds * Small Cap Stocks * Blue Chip Stocks * U.S. Treasury Bonds   **Format** your statement according to current APA standards.  **Submit** your statement. | | 2.2, 2.3 | Reflection paper – 2 hour |
| **Organizational Financing Options Comparison**  **Create** a mind map at [bubbl.us](https://bubbl.us/) in which you identify advantages and disadvantages of issuing stocks and bonds for a firm’s short– and long–term financing.  **Export** your completed mind map to your computer as a .jpg image.  **Submit** your exported .jpg image file.  *Note:* Although it is not a requirement for this assignment, creativity in organizing your information in a unique, however, understandable and logical way, is encouraged.  If you need assistance with using bubbl.us, visit the bubbl.us Help Page, at <https://bubbl.us/help/>. | | 2.3 | Reflection Multimedia Activity – 2 hour |
| **Total** |  |  | **5.5** |

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| Module Three: Financial Ratios as a Determinant of a Firm’s Business Performance | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Evaluate a firm’s level of liquidity and efficiency. | | CLO4 | |
| * 1. Assess the solvency and profitability performance of a company. | | CLO4 | |
| * 1. Appraise the marketability and share value of an organization. | | CLO3, CLO4 | |
| ***Required Learning Resources and Activities****: Students must complete any resources and activities listed in this section as selected by the instructor.* | | ***Alignment*** | ***AIE*** |
| **Instructional Videos**  **Watch** the following videos:   * Top 10 Financial Ratios, at <https://youtu.be/_tRC17-4Q2I> * Financial Ratios – Profitability, at <https://youtu.be/EVSGhWbe30c>   **Review** Financial Ratios -- Liquidity, Asset Management and Debt Management, at <https://youtu.be/_43qbh8Bzwk>  **Post** any questions you have regarding the material presented here in the Module Questions Forum and your instructor will respond. | | 3.1, 3.2, 3.3 | Instructional Videos – 1.5 hour |
| **Total** |  |  |  |
| ***Assignments****: Students must complete the weekly assignment(s).* | | ***Alignment*** | ***AIE*** |
| **Business Performance Analysis**  **Select** a major corporation to evaluate for this assignment.  **Use** the most recent Fortune 500 list at <http://fortune.com/fortune500/> if you have difficulty selecting a corporation on your own.  **Locate** the balance sheet and income statement of your selected corporation using EDGAR from the U.S. Securities and Exchange Commission at <http://www.sec.gov/edgar.shtml>, or the business filings resource of your choice.  **Determine** the company’s liquidity and efficiency levels through evaluation of the current ratio, acid-test ratio, A/R turnover, inventory turnover, and other contributing financial ratios or information.  **Assess** the company’s solvency and profitability through evaluation of the debt ratio, equity ratio, debt-equity ratio, profit margin ratio, gross port margin, return on assets, return on equity, earnings per share, and other supporting financial figures and information.  **Evaluate** the marketability of your selected comply through appraisal of its earnings per share, price-to-earnings ratio, dividend yield, and other contributing financial figures and information.  **Compose** a 2– to 3–page synopsis of your research and findings.  **Cite** any resources used in your synopsis in current APA format.  **Submit** your synopsis. | | 3.1, 3.2, 3.3 | Research – 1.5 hour |
| **Total** |  |  | **3.0** |

# Breakdown of Academic Instructional Equivalencies

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| **Module 1** |  |  |
| Required |  | 5.5 |
| Supplemental |  | 0.0 |
| **Module 2** |  |  |
| Required |  | 5.5 |
| Supplemental |  | 0.0 |
| **Module 3** |  |  |
| Required |  | 3.0 |
| Supplemental |  | 0.0 |
|  |  |  |
| **Total Required Hours** |  | 14.0 |
| **Total Supplemental Hours** |  | 0.0 |
| **Total Hours** |  | 14.0 |