# Course Description

This course focuses on the management of economic resources and financing sources to enhance returns to the business entity. Skills developed include cash flow management, profitability analysis, debt management, control of receivables, capital and operational budgeting, and other asset/liability management tactics. This course will be a survey of advanced accounting and finance for managers stressing the analysis of principles and practices of the finance function. Emphasis is on financing methods for internal and external ventures and innovations, capital budgeting, and research and development (R&D) portfolio analyses.

# 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:** Develop financial management skills using financial ratio analysis, capital budgeting techniques, discounted cash flow methods, and case study analysis.
* **CLO2:** Explore financial management of growth opportunities, forecasting, and planning.
* **CLO3:** Develop a knowledge and understanding of business financing options.
* **CLO4:** Evaluate investment opportunities for valuation and for growth, including mergers and restructuring.
* **CLO5:** Examine financial management techniques and tools used for international commerce and investment.

# Student Expectations

Students are expected to do the following:

* 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

Higgins, R. C. (2016). *Analysis for financial management* (11th ed.). Boston, MA: McGraw-Hill Irwin.

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# Suggested Point Values

|  |  |  |
| --- | --- | --- |
| **Assessment** | **Point Value** | **Due** |
| **Week 1** |  |  |
| Discussion: Current Ratio | 10 |  |
| Discussion: Current Events | 10 |  |
| Blog: Cash Flow Statements | 20 |  |
| Financial Analysis: Part II | 50 |  |
| Week 1 Quiz | 30 |  |
| **Week 2** |  |  |
| Discussion: Current Events | 10 |  |
| Analysis Paper | 20 |  |
| Financial Analysis: Part III | 20 |  |
| Week 2 Ch. 4 Problem Solving | 30 |  |
| Week 2 Quiz | 30 |  |
| **Week 3** |  |  |
| Discussion: Debt Financing | 10 |  |
| Discussion: Financial Analysis: Part IV | 10 |  |
| Week 3 Ch. 5 Problem Solving | 30 |  |
| Week 3 Ch. 6 Problem Solving | 30 |  |
| Week 3 Quiz | 30 |  |
| **Week 4** |  |  |
| Discussion: Capital Budgeting Process | 10 |  |
| Discussion: Ch. 7 Problem 1 | 10 |  |
| Week 4 Ch. 7 Problem Solving | 30 |  |
| Financial Ratio Analysis: Milan Fashions Coat Company Case Study | 100 |  |
| **Week 5** |  |  |
| Discussion: Financial Risk | 10 |  |
| Financial Analysis: Part V | 50 |  |
| Considerations for Any Investment | 20 |  |
| Blog: Investing Versus Saving | 20 |  |
| Week 5 Quiz | 30 |  |
| **Week 6** |  |  |
| Discussion: Bankruptcy and Restructuring | 10 |  |
| Discussion: Venture Capitalist, Angel Investor, and Vulture Investor | 10 |  |
| Financial Analysis: Part VI | 50 |  |
| Revolving Line of Credit: Mercury Electronics Corporation Case Study | 100 |  |
| **Week 7** |  |  |
| Discussion: Corporate Conversions | 10 |  |
| Global Expansion Paper | 150 |  |
| Financial Analysis: Part VII | 50 |  |
| **Total Points** | **1000** |  |

# Course Schedule

|  |  |  |
| --- | --- | --- |
| **Week** | **Start** | **End** |
| One | <insert start date> | <insert end date> |
| Two |  |  |
| Three |  |  |
| Four |  |  |
| Five |  |  |
| Six |  |  |
| Seven |  |  |

# Weekly Learning Modules

|  |  |  |  |
| --- | --- | --- | --- |
| **Week One: Assessing the Financial Health of a Firm** | | | |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Interpret the role of cash flows in an organization, such as uses and sources of cash. | | CLO1, CLO2 | |
| * 1. Develop a statement of cash flows. | | CLO1, CLO2 | |
| * 1. Evaluate a public company’s financial performance using ratio analysis. | | CLO1 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Weekly Participation and Discussion**  The purpose of the weekly discussions is to provide you with a way to synthesize the concepts presented in this course. Each week, you will respond to the discussion questions with a substantive post of 100 to 150 words that addresses all the prompts for the question by 11:59 p.m. EST of the listed due date. By the conclusion of each week, Sunday at 11:59 p.m. EST, you will make at least one substantive comment of 100 to 150 words to 3 of your classmates’ posts for each assigned discussion question. Your comments must further the discussion by following the RISE model for meaningful feedback. It is recommended that you check in periodically throughout the week to ensure that you are meeting the participation requirement.  **Review** the [RISE Model for Peer Feedback](http://elwray.squarespace.com/feedback). | |  |  |
| **Readings**  **Read** Ch. 1 & 2 of *Analysis for Financial Management* and note the following key information from this week’s readings:   * Ch. 1 “Cash Flow Cycle” * Ch. 2: “Return on Equity,” p. 40; “Return on Assets,” p. 43; and “Financial Ratios,” table 2.4 p. 70 * Simplified Balance Sheet * Simplified Income statement * Simplified Cash flow statement and Owner’s Equity Formula   **Post** your comments or question in the Week 1 General Q & A discussion forum. | | 1.1, 1.2, 1.3 |  |
| **Financial Analysis: Part I**  **Select** a publicly held company that you can use to complete assignments throughout this course. You cannot use your employer, and the company must be public as their data will be public (only 1 student per company). Selection is on a first-come-first-served in choosing a company, so it is recommended you post early to reserve your choice. Make sure that your company has extensive financial and business information readily available.  **Complete** this activity before starting Financial Analysis: Part II.  **Post** your company by 11:59 p.m. (Eastern time) on Thursday. | | 1.3 |  |
| **Student Introductions**  **Introduce** yourself by answering the following questions by 11:59 p.m. (Eastern time) on Thursday:   * What area are you currently working in? * What is one detail about you that will help us remember you? * What would you like to get out of this course? * You may also include pictures of yourself, your family, your pets, and so forth in your post.   **Read** all your classmates’ discussion posts.  **Reply** to 1 student you have something in common with. | |  |  |
| ***Supplemental Resources and Activities***  *Explore these optional resources to deepen your understanding.* | | ***Alignment*** | ***AIE*** |
| **Adobe Connect Live Discussion**  **Review** [Adobe Connect Resources](https://sites.gmercyu.edu/student-resources/adobe-connect-resources/).  **Participate** in the scheduled live session with the course instructor. This session will provide an overview of the class and discuss the major assignments in the course.  **Prepare** to ask questions concerning the content of the week and the course as a whole.  *Note:* A recorded lecture will be made available to those who are unable to attend the live session. | |  | Live Discussion: lecture and discussion = **1 hour** |
| **Videos**  **Watch the following:**   * [27. How to read a cash flow statement](https://youtu.be/IHWIzDcWWT8) (11:13) * [Finance: What Managers Need to Know](https://youtu.be/aJsmJsd6GIw) (13:45)   **Post** your comments or question in the week 1 General Q & A discussion forum. | | 1.1, 1.2 | Lecture Activity: 1 hour |
| **Helpful Websites**  **Explore** the following websites to find news on companies regarding ratio and financial information:   * [www.reuters.com](http://www.reuters.com) * [www.businessweek.com](http://www.businessweek.com) * [www.finance.yahoo.com](http://www.finance.yahoo.com) * [www.wsj.com](http://www.wsj.com) * [www.cnn.com](http://www.cnn.com) * [www.cnbc.com](http://www.cnbc.com) * [www.foxbusinessnews.com](http://www.foxbusinessnews.com) * www.cfo.com | | 1.3 |  |
| **Additional Textbook Resources**  **Use** this website to find supplemental textbook information: <http://highered.mheducation.com/sites/0077861787/student_view0/index.html> | | 1.1, 1.2, 1.3 |  |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion: Current Ratio**  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Which would you expect to have a higher current ratio: a jewelry store or an online bookstore? Why?   *Note:* Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 1.3 | Discussion: one post and replies to three other posts = **1 hour** |
| **Discussion: Current Events**  **Resources:**   * [Keiss Library Business Libguide](http://gmercyu.libguides.com/business) * [Find Newspapers](http://gmercyu.libguides.com/c.php?g=315430&p=2107119) in the Keiss Library   **Select** a global article published within the last year that has a relationship to this week’s topic. Duplicate articles are not permitted; select wisely, and check the discussion forum to ensure that no one has posted something similar.  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Summarize the article, including the critical issues that the article discusses. * Do you support or disagree with the article? Explain why. * Identify the critical issues. * Discuss the conclusions you came to after reading this article. * Do you agree or disagree with the article based on the critical issues you identified? Provide examples to support your stance.   *Note:* Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 1.2, 1.3 | Discussion: one post and replies to three other posts = **1 hour** |
| **Blog: Cash Flow Statements**  You have been asked to write a guess blog post about cash flow statement.  **Write** a 300-word blog discussing the following:   * What are cash flow statements? * How do they help contribute to decision making? * How did these problems help expand your knowledge of cash flow statements? * Do you have any additional comments on what you may add to expand on how cash flow statements contribute to financial decision making?   **Post** your blogby 11:59 p.m. (Eastern time) on Sunday. | | 1.1, 1.2 | Blog: 1 hour |
| **Financial Analysis: Part II**  **Refer** to your chosen company from Financial Analysis: Part I.  **Review** your company’s annual report.  **Identify** the return on equity (ROE) and return on assets (ROA) for the company selected:   * What does this mean for the company? How would you describe their liquidity position? How did you get to this conclusion? * Compare ROE to ROA. Which is the most important? Why? * Comment on the company’s profit margin, and explain whether you feel it is good or bad in performance.   **Analyze** the balance sheet and income statements for your company for the 2 most recent years.   * Is the company in better or worse financial shape for the most recent year? * Use specific details from the balance sheet and income statement to support your position.   **Calculate** the following for each year:   * Return on equity * Return on assets * Gross margin * Price to earnings ratio * Current ratio * Debt to assets ratio * Inventory turnover ratio   Based on the ratio calculations for the 2 years, discuss the health of the corporation using the ratios you calculated to support your statements.  **Format** your report according to APA guidelines.  **Submit** your report by 11:59 p.m. (Eastern time) on Sunday. | | 1.1, 1.2, 1.3 | Library Research: 2 hours |
| **Week 1 Quiz**  **Complete** the Week 1 quiz on Ch. 1 & 2 by 11:59 p.m. (Eastern time) on Sunday. | | 1.1, 1.2, 1.3 | Quiz: 2 hours |
| **Total** |  |  | **7 hours** |

# Faculty Notes

**Adobe Connect:** Students should post any questions or comments they have, to the Announcement forum. The instructor can then utilize those questions that come up in the first part of the week to tailor the live Adobe Connect class session that would be scheduled toward the later part of the week. That 1-hour synchronous session will allow students the opportunity to go over any questions they had with the homework and clarify any misconceptions they have about the course content. All Adobe Connect sessions should be recorded and a link to the recording be posted to the course page so any student who misses the session can review it later in the week.

*Note:* It is the instructor’s choice as to what day they will schedule the Adobe Connect Live Session, but it is recommended that they schedule this session for Wednesday of the week so students have plenty of time to review their homework prior to the deadline on Sunday.

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| Week Two: Future Performance and Financial Forecasting | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Develop the pro forma financial statements balance sheet, income statement, owner’s equity, and cash flow statement to forecast the growth of a company. | | CLO1, CLO2 | |
| * 1. Describe various financial planning techniques that aid in producing realistic financial projections. | | COL2 | |
| * 1. Determine if external financing is required based on a cash budget. | | COL3, CLO4 | |
| * 1. Use financial ratios to measure an organizations sustainable growth rate. | | COL2 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Reading**  **Read** Ch. 3 & 4 of *Analysis for Financial Management*.  **Post** your comments or question in the Week 2 General Q & A discussion forum. | | 2.1, 2.2, 2.3, 2.4 |  |
| **Lecture**  **Review** the Ch. 3 PowerPoint presentation.  **Identify** the most critical information related to this week’s assignment.  **Post** your comments or question in the week 2 General Q & A discussion forum. | | 2.1, 2.2, 2.3 | Lecture Activity: 1 hour |
| ***Supplemental Resources and Activities***  *Explore these optional resources to deepen your understanding.* | | ***Alignment*** | ***AIE*** |
| **Videos**  **Watch** the following:   * [How to Build a Basic Financial Projection - Business Finance](https://youtu.be/IuL0dWfd7Jk) (10:30) * [6640ProFormaBalanceSheet.mov](https://youtu.be/4UQTS4FErnE) (10:55) | | 2.1, 2.2 | Lecture activity: 1 hour |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion: Current Events**  **Resources:**   * [Keiss Library Business Libguide](http://gmercyu.libguides.com/business) * [Find Newspapers](http://gmercyu.libguides.com/c.php?g=315430&p=2107119) in the Keiss Library   **Obtain** and review a copy of the *Wall Street Journal*, *New York Times*, *Washington Post*, or other reputable news source published within the last 90 days.  **Select** a global article that is in some way related to the growth topics covered this week or the company you selected for the Financial Analysis: Part I activity in Week 1.  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Summarize the article, including the critical issues that the article discusses. * Do you support or disagree with the article? Explain why. * Identify the critical issues. * Discuss the conclusions you came to after reading this article. * Do you agree or disagree with the article based on the critical issues you identified? Provide examples to support your stance.   *Note:* Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 2.1, 2.3, 2.4 | Discussion: one post and replies to three other posts = **1 hour** |
| **Analysis Paper**  The Ch. 3 readings of *Analysis for Financial Management* identify how organizations cope with the uncertainty of financial projections and the methods in which they can more accurately predict.  **Write** a minimum of 1,400 words analyzing sensitivity, scenario, and simulation:   * Compare and contrast these methods. * Identify the positive and negative of each method. * Provide examples of companies that are using these methods.    + What industries are they involved in?   + Why do these companies/industries use these methods?   **Format** your paper according to APA guidelines.  **Submit** your paper by 11:59 p.m. (Eastern time) on Sunday. | | 2.2 | Library Research: 2 hours |
| **Financial Analysis: Part III**    **Refer** to the annual report for the company you had selected for the Financial Analysis: Part I activity in Week 1.  **Read** the Chairman’s letter and any information regarding opportunities and growth; there should be some percentages mentioned, if not in the letter, then in the annual report numbers.   * What is the level of growth experienced by the company? * Is the organization experiencing short- and long-term economic growth, experiencing contraction, or remaining stable? * Do you see potential opportunities ahead, or have they stalled? Explain.   **Review** the balance sheet and income statement for the most recent year for the company you had selected for the Financial Analysis: Part I activity in Week 1.  **Construct** a pro forma income statement for the next year, and answer the following questions:   * What are your external financing needs for the year? * Do your balance sheet and income statement match the budget estimates for that year? * If not, why not? If so, why? * Is the next year projected to be a better performing year than the most recent year’s data?   **Submit** your work and answersby 11:59 p.m. (Eastern time) on Sunday. | | 2.1, 2.2, 2.3 | Problem solving: 2 hours |
| **Week 2 Ch. 4 Problem Solving**  **Review** and solve Problem 9 on p. 140 in Ch. 4 of *Analysis for Financial Management*. Correct answers can be found on pp. 416 & 417. Use this as an opportunity to practice the skill.  **Complete** Problem 10.  Use the information below from Tournament Sporting Goods’ annual financial statements to calculate the actual and sustainable growth rate for each year from 2010 - 2014. Do you think Tournament Sporting Goods is having a problem financing its growth? Is the increase in dividends a good idea for the company?   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Tournament Sporting Goods** ($ in thousands) | | | | | | | |  | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | | Sales | 477.84 | 491.62 | 706.52 | 792.01 | 876.52 | 1,088.46 | | Net income | - | 43.27 | 26.31 | 38.48 | 44.84 | 25.76 | | Total assets | - | 477.06 | 648.42 | 664.26 | 697.16 | 982.63 | | Equity | - | 346.32 | 426.01 | 465.85 | 432.91 | 553.27 | | Dividends | - | - | - | 0.80 | 1.65 | 2.22 |   **Submit** your work and answersby 11:59 p.m. (Eastern time) on Sunday.  *Note*: Showing steps and details on how you found the answer is beneficial, as you could get partial credit for wrong answers if you show you have an understanding of the process. If you choose to provide just the answer, you will be graded only on whether the answer is right or wrong. | | 2.2, 2.3, 2.4 | Problem Solving: 2 hour |
| **Week 2 Quiz**  **Complete** the Week 2 Quiz on Ch. 3 & 4 by 11:59 p.m. (Eastern time) on Sunday. | | 2.3, 2.4 | Quiz: 2.5 hours |
| **Total** |  |  | **10.5 hours** |

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| Week Three: Financial Forecasting and Managing Growth | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Analyze the various methods of financing a business such as bonds, stocks, bank loans, and sale growth. | | CLO3 | |
| * 1. Measure the effects of leverage on a business. | | CLO3 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Reading**  **Read** pp. 144–174 in Ch. 5 & pp. 197–217 in Ch. 6 of *Analysis for Financial Management*.  **Post** your comments or question in the Week 3 General Q & A discussion forum. | | 3.1, 3.2 |  |
| **Videos**  **Watch** the following:   * [Market capitalization | Stocks and bonds | Finance & Capital Markets | Khan Academy](https://youtu.be/5lmHzAHbtzg) (3:09) * [Equity vs. debt | Stocks and bonds | Finance & Capital Markets | Khan Academy](https://youtu.be/yQtUyBrRBx4) (13:54) * [Difference between Debt and Equity](https://youtu.be/XwvCL4qKjaM) (8:47) * [Bond Pricing, Valuation, Formulas, and Functions in Excel](https://youtu.be/tJLR3se4Pa4) (9:56)   **Post** your comments or question in the Week 3 General Q & A discussion forum. | | 3.1 | Lecture: 1 hours |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion: Debt Financing**  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Why might it make sense for a more mature organization with slower growth to carry a higher level of debt?   *Note:* Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 3.1, 3.2 | Discussion: one post and replies to three other posts = **1 hour** |
| **Discussion: Financial Analysis: Part IV**  **Research** further on the company you selected in the Financial Analysis: Part I activity for Week 1.  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Compare the pros and cons of corporate financing by use of bonds versus stocks. * Is the company you selected in the Financial Analysis: Part I activity for Week 1 currently using bonds to finance their opportunities? What is its bondrating? What does this rating tell you about the risk and return from an investor’s point of view?   For information on ratings, refer to Table 5.2, “Selected Standard & Poor’s Debt-Rating Definitions,” on p. 151 of *Analysis for Financial Management*.  *Note:* Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 3.1 | Discussion: one post and replies to three other posts = **1 hour** |
| **Week 3 Ch. 5 Problem Solving**  **Complete** Problems 2, 4, 6, 12, & 13 on pp. 191–193 in Ch. 5 of *Analysis for Financial Management*.  **Submit** your work and answersby 11:59 p.m. (Eastern time) on Sunday.  *Note*: Showing steps and details on how you found the answer is beneficial, as you could get partial credit for wrong answers if you show you have an understanding of the process. If you choose to provide just the answer, you will be graded only on whether the answer is right or wrong. | | 3.1 | Problem Solving: 2 hours |
| **Week 3 Ch. 6 Problem Solving**  **Complete** Problems 2, 4, & 6 on pp. 232 & 233 in Ch. 6 of *Analysis for Financial Management*.  **Submit** your work and answersby 11:59 p.m. (Eastern time) on Sunday.  *Note*: Showing steps and details on how you found the answer is beneficial, as you could get partial credit for wrong answers if you show you have an understanding of the process. If you choose to provide just the answer, you will be graded only on whether the answer is right or wrong. | | 3.2 | Problem Solving: 2 hours |
| **Week 3 Quiz**  **Complete** the Week 3 Quiz on Ch. 5 & 6 by 11:59 p.m. (Eastern time) on Sunday. | | 3.1, 3.2 | Quiz: 2.5 hours |
| **Total** |  |  | **9.5 hours** |

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| Week Four: Discounted Cash Flow | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Evaluate business investment opportunities using the techniques of capital budgeting, such as net present value (NPV), internal rate of return (IRR), payback, and profitability index. | | CO1, 2, 3 | |
| * 1. Recommend acceptable investment options using the capital budgeting decision criteria. | | CO3 | |
| * 1. Assess relevant cash flows and other challenges in the capital budgeting process. | | CO3 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Readings**  **Read** the following:   * Ch. 7 of *Analysis for Financial Management* * [Net Present Value (NPV) as a Capital Budgeting Method](https://www.thebalance.com/net-present-value-npv-as-a-capital-budgeting-method-392915?utm_term=Capital+Budgeting+Process&utm_content=p1-main-2-title&utm_medium=sem-rel&utm_source=google&utm_campaign=adid-167be0c3-fb4d-4376-bd0e-d44659c0c722-0-ab_gsb_ocode-4948)   **Post** your comments or question in the Week 4 General Q & A discussion forum. | | 4.1, 4.2, 4.3 |  |
| **Lecture**  **Review** the Ch. 7 PowerPoint presentation.  **Post** your comments or question in the Week 4 General Q & A discussion forum. | | 4.1, 4.2, 4.3 | Lecture activity: 1 hour |
| **Videos**  **Watch** the following:   * [06 002 01 capital budgeting NPV, part 1](https://youtu.be/ZeFc8qXEoa8) (11:42) * [06 003 01 capital budgeting NPV, part 2](https://youtu.be/70KQPQLQ2QA) (10:29) * [06 005 01 capital budgeting IRR, part 1](https://youtu.be/64TW2Y7thqg) (11:58) * [Capital Budgeting Part One -- Introduction and Payback Period](https://youtu.be/Pq67NLTCaa0) (6:42)   **Post** your comments or question in the Week 4 General Q & A discussion forum. | | 4.1, 4.2, 4.3 | Lecture Activity: 1 hours |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion: Capital Budgeting Process**  **Review** the Capital Budgeting Process Flowchart.  **Research** further on the issues regarding the capital budgeting process.  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Explain the concerns and issues regarding each of the phases of the capital budgeting process. * Identify what limitations, concerns, or problems could be associated within each phase. * After reviewing the flowchart, discuss what problem areas you see in the process. Be sure to discuss which phase(s) this is in. * Suggest changes to streamline the process. Be sure to specify which phase(s) and how you want to change it.   *Note*. Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students discussing how your approach differs from your classmates and why. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 4.1, 4.2, 4.3 | Discussion: one post and replies to three other posts = **1 hour** |
| **Week 4 Ch. 7 Problem Solving**  **Review** and solve Problem 1 on pp. 282­ & 283 in Ch. 7 of *Analysis for Financial Management*. Correct answers can be found on pp. 422–426. Use this as an opportunity to practice the skill.  **Submit** your work and answersby 11:59 p.m. (Eastern time) on Sunday.  *Note*: Showing steps and details on how you found the answer is beneficial, as you could get partial credit for wrong answers if you show you have an understanding of the process. If you choose to provide just the answer, you will be graded only on whether the answer is right or wrong. | | 4.1, 4.2, 4.3 | Problem Solving: 2 hours |
| **Discussion: Ch. 7 Problem 1**  **Complete** Problem 1 on pp. 282­ & 283 in Ch. 7 of *Analysis for Financial Management.*  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Time value of money as it relates to questions a through i in Problem 1.    + Why is this critical or important?   + What things does it help up to understand?   + How do we tie it to inflation and deflation?   + How can it help us make better decisions? * Rate of return as it relates to questions j through I in Problem 1.    + Why is ROR important?   + How does that compare to cost of capital or other corporate standards? * Bank loans, bonds, and stock problems as they relate to questions p through s in Problem 1.    + What is the significance of evaluating bank loans, bonds, and stocks?   + How do they differ in terms of raising capital and the cost of capital?   + Include the pros and cons of each-bank loans, bonds, and stocks.   *Note*: Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students agreeing or disagreeing. Be sure to include substantive examples that add to the post and support your agreement or disagreement. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 4.1, 4.2 | Discussion: one post and replies to three other posts = **1 hour** |
| **Financial Ratio Analysis: Milan Fashions Coat Company Case Study**  **Read** [Financial Ratio Analysis: Milan Fashions Coat Company Case Study](https://nebula.wsimg.com/ccdeee58634294fa1377a327e4cb72c6?AccessKeyId=A83663472B839ECDD54B&disposition=0&alloworigin=1).  **Analyze** the company’s loan request and financial statements in the case study.  **Provide** the information requested for A, B, C, & D in the case study.  **Submit** your answers by 11:59 p.m. (Eastern time) on Sunday. | | 1.3, 2.3, 2.4, 3.2 | Case Study= 3 hours |
| **Total** |  |  | **9 hours** |

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| Week Five: Risk Analysis | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Differentiate between the two basic types of risk and the levels of investment risk. | | CLO1, CLO2, CLO3 | |
| * 1. Determine the appropriate cost of capital for a specific investment and capital budgeting analysis. | | CLO3 | |
| * 1. Analyze the options available to managers in corporate investment strategies. | | CLO3 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Reading**  **Read** the following:   * pp. 289–310 & 319–334 in Ch. 8 of *Analysis for Financial Management* * [Investing 101: A Tutorial For Beginner Investors](http://www.investopedia.com/university/beginner/)   **Post** your comments or question in the Week 5 General Q & A discussion forum. | | 5.1, 5.2, 5.3 |  |
| **Video**  **Watch** [Weighted Average Cost of Capital (WACC)](https://youtu.be/46oLXwClvkw) (9:28).  **Post** your comments or question in the Week 5 General Q & A discussion forum. | | 5.2 | Lecture activity: 1 hour |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion: Financial Risk**  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Think about where you work now or a place in the past and the business environment there. What do you feel is the number one financial risk, either systematic or nonsystematic? Summarize your description of the financial risk. How would you work to mitigate this risk?   *Note:* Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 5.1, 5.3 | Discussion: one post and replies to three other posts = **1 hour** |
| **Financial Analysis: Part V**  **Resources:** [Beta](http://www.investopedia.com/terms/b/beta.asp) and [ABG Analytics](http://www.abg-analytics.com/stock-betas.shtml#.WOKUZPkrK00)  **Refer** to the company you selected in the Financial Analysis: Part I activity for Week 1.  **Review** the annual report, and research the industry further.  **Develop** a paper with a minimum of 800 words regarding the types of risk exposed to your selected company.   * What is the Beta measurement for your selected company? * What does this measurement mean? * How does this company’s Beta compare to its competitors’ Beta? * What does this indicate? * What risk types is your selected company exposed to? Include examples. * How much of a worry could this be for the organization?     **Format** your paper according to APA guidelines  **Submit** your paper by 11:59 p.m. (Eastern time) on Sunday. | | 5.1, 5.3 | Library Research: 2 hours |
| **Considerations for Any Investment**  The following are the four key considerations of any investment:   * Return of money-principle that was initially invested * Return on money-growth of money-rate of return * Tax benefits-tax credits, government support, shelter income, and write-off expenses * Timing of results on investment-is it a short- or long-term investment   **Write** a 500-word report discussing the following:   * The details of each key consideration * Why they are listed in descending order * Provide 2 examples-one from a corporate investment perspective and 1 from an individual perspective.   **Submit** your report by 11:59 p.m. (Eastern time) on Sunday. | | 5.1, 5.3 | Library research: 2 hours |
| **Blog: Investing Versus Saving**  **Imagine** that readers enjoyed your cash flow statement blog so much that you were invited to write a blog on investing versus saving.  **Write** 250 words elaborating on the difference between investing and savings in terms of the following:   * Growth of your money * Risk involved * Return on investment * Timing of the investment/savings returns.   **Post** your blog by 11:59 p.m. (Eastern time) on Sunday. | | 5.3 | Blog: 1 hour |
| **Week 5 Quiz**  **Complete** the Week 5 Quiz on Ch. 8 by 11:59 p.m. (Eastern time) on Sunday. | | 5.1, 5.2, 5.3 | Quiz: 1.5 hours |
| **Total** |  |  | **8.5 hours** |

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| Week Six: Business Valuation and Corporate Restructuring | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Apply the techniques of discounted cash flow as a method for estimating the value of a company and the decision to acquire or restructure a division. | | CLO1, CLO2, CLO3 | |
| * 1. Distinguish between the values of the firm versus the value of equity. | | CLO3 | |
| * 1. Explain the complications of staffing, leadership, and confidentiality in the process of merging or acquiring other companies. | | CLO4 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Readings**  **Read** the following:   * pp. 343–353, 357–376, & 382–385 in Ch. 9 of *Analysis for Financial Management* * [Insider Trading](https://www.sec.gov/fast-answers/answersinsiderhtm.html) including the link to Forms 3, 4, & 5   **Post** your comments or question in the Week 6 General Q & A discussion forum. | | 6.1, 6.2, 6.3 |  |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion: Bankruptcy and Restructuring**  **Research** the following chapters on bankruptcy: 7, 9, 11, & 13.  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Discuss the specifics of each type of bankruptcy, including the pros and cons.   *Note:* Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 6.1, 6.2, 6.3 | Discussion: one post and replies to three other posts = **1 hour** |
| **Discussion: Venture Capitalist, Angel Investor, and Vulture Investor**  **Research** the definition of a *venture capitalist* and a *vulture investor*.  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Define in detail *venture capitalist*, *angel investor*, and *vulture investor*. * Identify 2 examples for each. * Discuss the pros and cons of each.   *Note:* Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 6.2, 6.3 | Discussion: one post and replies to three other posts = **1 hour** |
| **Financial Analysis: Part VI**  **Read** [Restructuring Organizations](http://www.changedesigns.net/public/team/leading_teams/Leadership-after-an-organizational-restructure.html).  **Review** the thoughts and ideas relating to the leadership implications of restructuring.  **Write** a 1 page summary addressing the following:   * Summarize what you understand from the article. Which do you personally feel is the most worrisome or detrimental concern presented in this reading? Why do you feel that way? How would you handle the situation? * What recent acquisitions or mergers has company you selected in the Financial Analysis: Part I activity for Week 1 gone through? * What is the status of that merger or acquisition? * Are there any imminent mergers or acquisitions coming down the pike?   **Format** your summary according to APA guidelines.  **Submit** your summary by 11:59 p.m. (Eastern time) on Sunday. | | 6.3 | Library Research: 2 hours |
| **Revolving Line of Credit: Mercury Electronics Corporation Case Study**  **Read** [Revolving Line of Credit: Mercury Electronics Corporation Case Study](https://nebula.wsimg.com/e8ef0612d6c90b083efc1afdd0ad894a?AccessKeyId=A83663472B839ECDD54B&disposition=0&alloworigin=1).  **Answer** the questions in the case study. Be sure to support your answers with an analysis.  **Recommend** 1 of the bank proposals. Include 5-year pro-forma statements to support your recommendation.  **Submit** your answers by 11:59 p.m. (Eastern time) on Sunday. | | 1.1, 1.2, 2.1, 2.3, 2.4, 5.1, 5.2, 6.1 | Case Study= 3 hours |
| **Total** |  |  | **7 hours** |

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| Week Seven: Global Financial Management | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Differentiate between domestic and international financial management regarding risk, financial reporting, interest rates, and ethical considerations. | | CLO5 | |
| * 1. Examine the unique risks involved in the management of international finance. | | CLO1, CLO4, CLO5 | |
| * 1. Determine the proper use of the various hedging tools for international cash management. | | CLO5 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Reading**  **Review** the [International Monetary Fund website](https://www.imf.org/en/About).  **Post** your comments or question in the Week 7 General Q & A discussion forum. | | 7.1, 7.2, 7.3 |  |
| **Video**  **Watch** [Word of the Day: Multinational Corporation (MNC)](https://youtu.be/OureN4urjoo) (2:57). | | 7.1 | Lecture Activity: 1 hour |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion: Corporate Conversions**  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * What do you feel is the underlying cause of the great exodus of American businesses from making the United States their corporate headquarters? Elaborate on your thoughts. Support your stance by providing an article in a current periodical. Include a link to the article in your post or attach a copy of the article to your post.   *Note:* Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students with a supportive argument and examples. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 7.1, 7.2 | Discussion: one post and replies to three other posts = **1 hour** |
| **Global Expansion Paper**  **Watch** [Word of the Day: Multinational Corporation (MNC)](https://youtu.be/OureN4urjoo) (2:57).  **Write** a minimum of 1,200 words research paper that fulfills the following:  **Part I**  **Research** and identify three multinational corporations.   * Do you feel they are more successful domestically or internationally? Why? Provide examples. * What type of business are they in? * What is the size of their domestic business? What is the size of their international business? * Where does most of their growth come from?   **Part II**   * Highlight the ethical concerns and considerations you feel are present with a global expansion. * Define and explain those concerns and considerations. * Describe some of the ethical risks that might be involved. * Use the company you chose from the Multinational Corporation under the Learning Activities as an example.   **Part III**   * The differences you expect to see when dealing with international financial statements * How you would avoid or mitigate risks * How you would seek to manage the situation   **Include** outside references.  **Format** your paper according to APA guidelines.  **Submit** your paper by 11:59 p.m. (Eastern time) on Sunday. | | 7.1, 7.2 | Library Research: 2 hours |
| **Financial Analysis: Part VII**  **Outline** and define the exchange rate risk hedging tools provided in the chapter readings. Provide an example, either one that you create or find.  **Review** the annual report from the company you selected from the Financial Analysis: Part I activity for Week 1.  **Explain** how that company uses or may use hedging tools. If your chosen company is not international, use the company you chose for the Multinational Corporation Discussion assignment.  **Submit** your findings by 11:59 p.m. (Eastern time) on Sunday. | | 7.3 | Library Research: 2 hours |
| **Total** |  |  | **6 hours** |

# Breakdown of Academic Instructional Equivalencies

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|  | **AIE Hours** |
| **Week 1** |  |
| Required | 7 |
| Supplemental | 2 |
| **Week 2** |  |
| Required | 10.5 |
| Supplemental | 1 |
| **Week 3** |  |
| Required | 9.5 |
| Supplemental |  |
| **Week 4** |  |
| Required | 9 |
| Supplemental |  |
| **Week 5** |  |
| Required | 8.5 |
| Supplemental |  |
| **Week 6** |  |
| Required | 7 |
| Supplemental |  |
| **Week 7** |  |
| Required | 6 |
| Supplemental |  |
|  |  |
| **Total Required Hours** | 57.5 |
| **Total Supplemental Hours** | 3 |
| **Total Hours** | 60.5 |