

MANAGERIAL FINANCE

FIN-643

ONLINE

SYLLABUS

MASTER OF BUSINESS ADMINISTRATION

PROFESSIONAL & GRADUATE STUDIES

CORNERSTONE UNIVERSITY

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COURSE DESCRIPTION

A study of the major components of managerial finance and how they relate to the business organization. Topics include maximizing shareholder wealth, financial institutions and markets; financial statement analysis; cash and working capital planning; application of time value of money concepts to the firm; debt and equity security valuations; capital budgeting; cost of capital; leverage; capital structures and developing appropriate dividend policy.

INTRODUCTORY NOTES TO STUDENTS

FIN-643 will be presented in a unique format that incorporates online lectures and discussions and online problem assignments and online group discussions. Certain discussion questions will require the students to research and respond to a particular topic.

TOPICS

The topics to be covered in this course include:

- The Role and Environment of Managerial Finance
- Financial Statements and Analysis
- Time Value of Money (TVM)
- Risk and Return
- Investment Alternatives Including Tangible, Debt and Equity
- Financial Institutions and Markets
- Funding of the Organization
- Stock and Bond Valuations
- Capital Budgeting, Capital Cost, Leverage, and Structure
- Dividend Policy
- Working Capital, Current Asset Management, and Current Liabilities
- Management and Planning
- Christian Worldview and Ethics in Financial Decisions

OBJECTIVES

Upon completion of this course, each student will be able to:

- Apply Christian ethical principles to the financial operations of a company.
- Interpret the major components of the three key financial statements: income statement, balance sheet, and statement of cash flows.
- Apply the concepts of TVM to personal and business financial problems.
- Articulate the relationship between biblical worldview practices and organizational finances.
- Differentiate between debt and equity securities by calculating their respective values.
- Calculate the organizational cost of capital based on risk and market factors.
- Determine appropriate capital budgeting strategies.
- Communicate the relationships among financial decisions, return, risk, and a firm's value.
- Develop appropriate short- and long-term working capital strategies.

MATERIALS

The following materials will be used for this course:

Fields, E. (2016). *The essentials of finance and accounting for nonfinancial managers* (3rd ed.). American Management Association. ISBN: 9780814436943

Gitman, L. J., & Zutter, C.J. (2018). *Principles of managerial finance* (brief 8th ed.). Pearson/Addison Wesley. ISBN: 9780134830193

Groppelli, A. A., & Nikbakht, E. (2018). *Finance* (7th ed.). Barron's Educational Series, Inc. ISBN: 9781438010366

Supplemental Textbook for Reframing Work

Burnett, W. & Evans, D. J. (2016). *Designing your life: How to build a well-lived joyful life*. New York, NY: Alfred A. Knopf. ISBN: 9781101875322.

ADDITIONAL MATERIALS:

Each student will need a calculator capable of computing TVM problems. Recommended calculators include the Texas Instruments BAII, BAII Plus or BAII Plus Professional, or the Hewlett Packard 10B, 10BII, 17B, 17BII or 19BII. The students can also use Microsoft Excel for the completion of these calculations.

An access code for MyFinanceLab will be provided with the Principles of Managerial Finance text.

Instructions for how to register are available at the MyFinanceLab website:

<http://www.pearsonmylabandmastering.com/northamerica/myfinancelab/>.

Reference the following website for additional tools and resources:

<http://www.pearsonhighered.com/educator/academic/product/0,3110,0321557522,00.html>

COURSE POLICIES

HOMEWORK POLICY

Students should complete all assignments by midnight of the final day of the unit, or, if the assignment specifies a particular day of the unit, by midnight of that day. If an assignment is submitted after its due date, it will be marked down 10%. No work will be accepted more than one week late unless other arrangements have been made with the instructor. All work must be submitted by the final day of the course.

Unless otherwise specified, written papers should be prepared using Microsoft Word and should follow the guidelines of the seventh edition APA Manual and the "PGS Graduate Supplement for APA 7th Edition" document in Moodle for Cornerstone-specific guidelines. If the APA Manual does not answer or properly address a question, students should seek the advice of the APA site (<https://apastyle.apa.org/>).

METHODS OF INSTRUCTION

This course will utilize a variety of instructional methods, including readings, discussions, lectures, and group work.

PARTICIPATION POLICY

To receive the most benefit from this course, students are expected to participate fully in every online unit by contributing substantially to online discussions, completing assignments in a timely manner, and being available for group work. Logging in or merely reviewing course materials online does not count as participation; students must add something to the class with their comments and input.

Participation grades are given at the discretion of the faculty member, based on participation in online discussion and activities, demonstrating an understanding of readings and other assignments, and participation in group work outside of class.

DISCUSSION FORUM POLICY

Participation in discussion forums is critical for maximizing your learning experience in any online course. The online community of learners allows students to collectively interact through discussion to enhance and support the professional performance of one another. Part of the assessment criteria for the course includes evaluating the quality and quantity of your participation in the discussion forum. The instructor will facilitate student discussions and share a related idea, intervene when the discussion goes off-track, or tie your comments together to help deepen student learning.

There are two types of discussion requirements in this course:

- **Initial response:** For each discussion prompt posted by the faculty member, each student will start a discussion thread to give an original answer to the questions posted. This will demonstrate each student's mastery of the class material. Students' initial response to the discussion prompt must be posted **by 11:59 pm Eastern Standard Time on day four** of the unit to allow other students adequate time to respond to you.
- **Response to others:** For each discussion question, each student will read the discussions of other students in the course. He/she will respond at least once to two other students' initial discussion responses to offer constructive criticism or affirmation, or pose an additional question. This allows for new thoughts, ideas, and information to be presented and exchanged. These peer responses must be posted **by 11:59 pm Eastern Standard Time on day seven** of the unit.

Below are some characteristics that are a part of excellent discussion contributions. These will be considered when assessing the quality and level of student participation.

- Make certain that all posts and responses address the question, problem, or situation as presented for discussion. This does not mean you should not extend the topic, but do not stray from it.
- Posts and responses should be thorough and thoughtful. Just posting "I agree" or "Good ideas" will not be considered adequate. Support statements by including examples, prior knowledge, work experiences, references, websites, resources, etc. (giving credit when appropriate).
- Discussions occur when there is dialogue; therefore, you need to build upon the posts and responses of other learners to create threads of discussion. Make sure to revisit the discussion forum and respond (if necessary) to what other learners have posted to your initial responses. These do not count towards your two required responses; however, it is factored into your participation grade.
- Contributions to the discussions (posts and responses) should be free of grammatical or structural errors.

Please Note: All discussions must be completed within the unit it is assigned. No credit will be given after the unit has ended.

UNIVERSITY POLICY STATEMENTS

Information regarding the following university policies is published in the current Student Handbook and are posted on Moodle at <https://goo.gl/r2W1xp>. Ultimate responsibility for knowledge of and compliance with these policies rests with the student.

- Copyright Violation and Plagiarism
- Family Education Rights and Privacy Act (FERPA)
- Academic Integrity
- American with Disabilities Act
- Student Grievance and Complaint Process

MAJOR ASSIGNMENTS

INDIVIDUAL

Company Analysis Research Report

Each student will select a company to analyze and prepare a detailed research report on. The report will be submitted in Unit Eight. The report is to be 12- to 15-pages, double-spaced, typed and formatted using APA formatting style. A rough draft of the paper is to be posted as a discussion question in Unit Seven. Posting a draft allows the other members of the cohort to review the paper and provide constructive feedback.

Company Analysis

In preparing this paper, assume that you are a stock analyst and a group of investors has approached you for investment advice on a particular company. The investors want detailed research reports on the company, including its financial strengths and weaknesses, relative position in the market and short- and long-term growth potential. Analyze the data you collect and make recommendations as to whether this group should invest in the company. Provide sound analysis and data to support your recommendations.

Guidelines for Completing Your Company Analysis

- Select a company. Determine the information you will need to complete your analysis. You may want to select a company in which you own stock. Do not select conglomerate organizations for this assignment, as it is often too difficult to review all of the various market segments in a paper of this size.
- Research the company. Start with the company's most recent annual reports. You can get information online at websites such as <http://finance.yahoo.com>. Also, publications like *Value Line Investment Survey* are available at most libraries. Your research should also include the industry in which the company operates and its main competitors.
- Analyze the financial and accounting data and the other information you gathered.
- Make a recommendation based on your research and analysis. Your analysis must support your recommendation because it is the most important part of the project.

Suggested Company Analysis Report Format

- Provide a brief introduction about the company, including its history, main product(s), gross sales, net income, stock price movements, dividend payments, number of shares outstanding and so

forth. When you report the numbers, make sure you include several years' data to see whether there is a trend. Some graphs may be helpful.

- Describe the organization's core competencies.
- Review the company's management to determine possible succession plans, age issues or nepotism issues.
- Provide information about the industry, including the major competitors, related market shares, trends, new products or services and changes that are occurring within the industry.
- Analyze the balance sheet, income statement and statement of cash flows.
- Provide a ratio analysis, review of the notes to the annual report and a review of significant organizational events since the publishing of the annual reports.
- Provide your analysis, which may include outside opinions. (The analysis is the bottom line.)
- Provide your recommendation. (Remember that your analysis must support your recommendation.)

Scoring Guide

Criteria	Points
Company background Core competency Management issues Competitive environment	10
Financial statement analysis	20
Ratio analysis	20
Analysis and recommendation	10
Format (APA style, length, etc.)	10
Grammar, style, sentence mechanics, etc.	10
Organization and focus	10
Integration of sources	10
TOTAL	100

REFRAMING WORK: PGS CAREER CURRICULUM

In addition to your normal course content, you will also progress through our *Reframing Work* curriculum to gain a deeper understanding of work and your career. You will find it woven into most of the courses in your program, one section at a time. As you work through the material, you will gain:

- A positive vision for work that is shaped by biblical wisdom
- Deeper self-awareness and understanding of calling/vocation
- Practical tools to discern and plan for each stage of your career

All the career materials are located in a separate *Reframing Work* course which you will be able to access throughout your program. You will encounter your next section of *Reframing Work* in **Unit Three** of this course. Just follow the instructions when you get there and submit your work to this course (FIN-643) for credit, worth 5% of your overall grade.

If you have any questions about *Reframing Work*, contact your instructor.

GRADING

Grading Criteria:

Class Participation.....	25%
Weekly Assignments	25%
Christian Worldview Reflection	5%
Final Exam (Unit Eight)	15%
Final Presentation (Unit Eight).....	5%
Company Analysis (Unit Eight)	20%
Reframing Work	5%
Total	100%

PGS OFFICIAL GRADING SCALE

A:	96-100
A-:	93-95
B+:	90-92
B:	87-89
B-:	85-86
C+:	82-84
C:	79-81
C-:	77-78
D+:	75-76
D:	72-74
D-:	70-71
F:	69 and below

ASSIGNMENTS FOR EACH UNIT AND VALUE

Assignments are due **BY MIDNIGHT** of the last day of each unit.

UNIT	ASSIGNMENT	POINTS
ONE	1. Read "Introduction to Unit One" in Moodle.	100
	2. Read <i>Principles of Managerial Finance</i> , chapters 1 and 5.	
	3. Complete the following MyFinanceLab online assignments: a. Chapter 1—Problem 4 (p. 36) b. Chapter 5—Problems 4, 11, 17, 19, 22, 26, and 29 (pp. 226–233).	
	4. Read <i>The Essentials of Finance and Accounting for Nonfinancial Managers</i> , chapter 10.	100
	5. Read <i>Finance</i> , chapters 1 and 3.	
	6. Prepare a written response to the following case problem, provided in Moodle. Submit the completed assignment to the provided dropbox. a. Chapter 1—Case Problem: Assessing the Goal of Sports Products, Inc.	
	7. Read the Christ-centered worldview article <i>Stewardship</i> (available on Moodle). Write a two-page reflection on how the biblical narrative can be applied to the business enterprise.	100
	8. Download the worksheet "Time Value of Money Problems" that is available in Moodle. Begin working on the "Time Value of Money Problems," referring to the end-of-chapter problems in chapter 3 of <i>Finance</i> as needed. This worksheet is due in Unit Two.	

	<p>9. If you have not already done so, register for MyFinanceLab (www.MyFinanceLab.com) using the course ID provided by your instructor and the access code that came with your textbook.</p>	
TWO	<ol style="list-style-type: none"> 1. Read “Introduction to Unit Two” in Moodle. 2. Read the Christ-centered worldview article <i>Money</i> (available in Moodle). Write a two-page reflection on “how is money a measure, not the only measure” in the setting of a business enterprise. Reflect on how personal values may (or may not) guide values of a business. 3. Read <i>Principles of Managerial Finance</i>, chapter 2. 4. Read <i>The Essentials of Finance and Accounting for Nonfinancial Managers</i>, chapter 12. 5. Read <i>Finance</i>, chapter 2. 6. Prepare a written response to the following case problem, provided in Moodle. Submit the completed assignment to the provided dropbox. <ol style="list-style-type: none"> a. Chapter 2—Case Problem: The Pros and Cons of Being Publically Traded Current Financial Position 7. Complete the worksheet “Time Value of Money Problems” that you downloaded and began working on in Unit One. Submit the completed worksheet to the provided dropbox. 8. Participate in the discussion forum about <i>Auction versus Negotiated Securities Markets</i>. 9. Participate in the small group discussion about Reallocated Investments. Write a 250-word summary of your group's discussion to submit to the appropriate dropbox. 	<p>100</p> <p>100</p> <p>100</p> <p>10</p> <p>10</p>
THREE	<ol style="list-style-type: none"> 1. Read “Introduction to Unit Three” in Moodle. 2. Read <i>Finance</i>, chapter 17. 3. Read <i>The Essentials of Finance and Accounting for Nonfinancial Managers</i>, chapters 6-7. 4. Read <i>The Principles of Managerial Finance</i>, chapters 3–4. 5. Complete the following MyFinanceLab online assignments: <ol style="list-style-type: none"> a. Chapter 3—Problems 2 and 5 (pp. 121 and 122) b. Chapter 4—Problem 2 (p. 170) 	100

	<p>6. Prepare a written response to the following problem, provided in Moodle. Submit the completed assignment to the provided dropbox.</p> <p style="padding-left: 40px;">a. Chapter 3— Case Problem: Assessing Martin Manufacturing’s Current Financial Position</p> <p>7. Discuss the indicated question with your group using the online discussion board. Provide a summary of about 250 words of your group discussion.</p> <p>8. Complete the assignments for the next unit of <i>Reframing Work</i> and submit the necessary exercises to the provided dropbox. If you are not sure which unit to complete, contact your instructor.</p>	<p>100</p> <p>10</p> <p>100</p>
FOUR	<p>1. Read “Introduction to Unit Four” in Moodle.</p> <p>2. Read <i>Principles of Managerial Finance</i>, chapter 8.</p> <p>3. Complete the following MyFinanceLab online assignments:</p> <p style="padding-left: 40px;">a. Chapter 8—Problems 4, 5, 11 and 15 (pp. 363–368)</p> <p>4. Prepare a written response to the following case problem, provided in Moodle. Submit the completed assignment to the provided dropbox.</p> <p style="padding-left: 40px;">a. Chapter 8—Case Problem: Analyzing Risk and Return on Chargers Products' Investments</p> <p>5. Read <i>Finance</i>, chapter 4</p> <p>6. Discuss the indicated question with your group using the online discussion board. Provide a summary of about 250 words of your group discussion for each topic.</p>	<p>100</p> <p>100</p> <p>10</p>
FIVE	<p>1. Read “Introduction to Unit Five” in Moodle.</p> <p>2. Read <i>Principles of Managerial Finance</i>, chapters 6 and 7.</p> <p>3. Complete the following MyFinanceLab online assignments:</p> <p style="padding-left: 40px;">a. Chapter 6—Problems 12, 16, and 22 (pp. 285–288)</p> <p style="padding-left: 40px;">b. Chapter 7—Problems 6, 8, and 11 (p. 319 and 320)</p> <p>4. Prepare a written response to the following case problems, provided in Moodle. Submit the completed assignment to the provided dropbox.</p> <p style="padding-left: 40px;">a. Chapter 6—Case Problem: Evaluating Annie Hegg's Proposed Investment in Atilier Industries Bonds</p>	<p>100</p> <p>100</p>

	<p>b. Chapter 7—Case Problem: Assessing the Impact of Suarez Manufacturing's Proposed Risky Investment on Its Stock Value</p> <p>5. Read <i>Finance</i>, chapters 5 and 14.</p> <p>6. Discuss the following question with your group using the online discussion board. Provide a summary of about 250 words of your group discussion.</p>	10
SIX	<p>1. Read "Introduction to Unit Six" in Moodle.</p> <p>2. Read chapters 9, 10, and 11 in <i>Principles of Managerial Finance</i></p> <p>3. Complete the following MyFinanceLab online assignments:</p> <ul style="list-style-type: none"> a. Chapter 9—Problems 1 and 5 (pp. 397 and 398) b. Chapter 10—Problems 2, 7, and 14 (pp. 433–437) c. Chapter 11—Problem 11 (p. 492) <p>4. Prepare a written response to the following case problems, provided in Moodle. Submit the completed assignment to the provided dropbox.</p> <ul style="list-style-type: none"> a. Chapter 9—Case Problem: Making Star Products' Financing/Investment Decision b. Chapter 10—Case Problem: Making Norwich Tool's Lathe Investment Decision <p>5. Read <i>Finance</i>, chapters 6 and 7.</p> <p>6. Discuss the following topic question within your group using the online discussion board. Provide a summary of about 250 words of your group discussion.</p> <p>7. Read the Christian worldview article on profit. The article asks several questions such as: How much profit is too much? What is a just profit? Then the author concludes, "Profit is good, but it makes a better means than an end." Reflect on how the company you work for (or your own business if you were to start one) view profit.</p>	<p>100</p> <p>100</p> <p>10</p> <p>100</p>
SEVEN	<p>1. Read "Introduction to Unit Seven" in Moodle.</p> <p>2. Read <i>Principles of Managerial Finance</i>, chapters 12 and 13.</p> <p>3. Complete the following MyFinanceLab online assignments:</p> <ul style="list-style-type: none"> a. Chapter 12—Problems 7 and 9 (p. 548) b. Chapter 13—Problems 1, 2, and 11 (pp. 584–588) 	100

	<ol style="list-style-type: none"> 4. Prepare a written response to the following case problems. Submit the completed assignment to the provided dropbox. <ol style="list-style-type: none"> a. Chapter 12—Case Problem: Evaluating Tampa Manufacturing's Capital Structure b. Chapter 13—Case Problem: Establishing General Access Company's Dividend Policy and Initial Dividend 5. Read <i>Finance</i>, chapters 8–10. 6. Read <i>The Essentials of Finance and Accounting for Nonfinancial Managers</i>, chapters 9 and 11. 7. Complete a rough draft of your Company Analysis Report and post it to the “Peer Review: Company Analysis— Rough Draft” discussion forum for review by your peers. 8. Read two papers posted in the online discussion forum “Peer Review: Company Analysis— Rough Draft” and provide comments that these students can use as they complete their papers. 9. Discuss the indicated question with your group using the online discussion board. Provide a summary of about 250 words of your group discussion. 	<p>100</p> <p>10</p> <p>10</p>
EIGHT	<ol style="list-style-type: none"> 1. Read “Introduction to Unit Eight” in Moodle. 2. Read <i>Principles of Managerial Finance</i>, chapters 14 and 15. 3. Read <i>Finance</i>, chapters 15 and 16. 4. Participate in the online discussion forum “Accounts Receivable” following the discussion guidelines in the syllabus. 5. Submit your completed Company Analysis final paper to the provided dropbox. 6. Prepare a brief PowerPoint presentation highlighting the major findings from your final paper and whether you would buy, sell, or hold this company stock at this time. Submit the PowerPoint presentation to the provided dropbox. 7. Complete the comprehensive final exam using the link in Moodle. 8. Complete the Student End-of-Course Survey. The link is provided for you in an e-mail message sent to your Cornerstone address. 	<p>10</p> <p>100</p> <p>100</p> <p>100</p>

GRADING RUBRIC FOR WRITING ASSIGNMENTS

Assignment _____ Date due: _____

Course/Cohort _____ Date handed in: _____

Student _____

5 = unacceptable 6-7 = needs extensive revision 8 = satisfactory 9 = strong 10 = outstanding

Format requirements (may differ for each assignment)	5	6	7	8	9	10
Insight and comprehension (including thesis statement, if applicable)	5	6	7	8	9	10
Organization and focus	5	6	7	8	9	10
Grammar, punctuation and sentence mechanics	5	6	7	8	9	10
Integration of sources	5	6	7	8	9	10
Comments:						
<p>Total Points: _____</p> <p>Final Grade: _____</p> <p>(on a 100-point scale, calculate points x 2 for final grade)</p>						

CRITERIA FOR EVALUATING EACH SECTION OF THE RUBRIC

Format requirements

- Does the student adhere to the stated requirements of the assignment?
- Does the student use APA format to the extent that it is required by the instructor?
- Does the student address the prescribed audience and use appropriate diction?

Insight and comprehension

- Does the student show a detailed knowledge of the material?
- Does the student show an ability to respond to the questions raised by the material?
- Is the student able to use the material for his/her purposes?
- Does the student have an appropriate and thoughtful thesis?

Organization and focus

- Does the introduction provide a focus for the entire paper?
- Do the student's ideas and thoughts develop in a clear and logical way?
- Does the student make clear transitions between ideas or points?
- Is each paragraph organized around a single guiding thought?
- Does each paragraph relate clearly to the paper's main idea or thesis?
- Does the paper have a strong conclusion?

Grammar, punctuation, and sentence mechanics

- Does the student write clear and complete sentences (no fragments, run-ons, comma splices, or examples of mangled syntax)?
- Does the student use commas correctly?
- Does the paper contain misplaced modifiers or agreement problems?
- Is the paper largely free of spelling mistakes?

Integration of sources

- Does the student use an appropriate number of quality sources?
- Does the student's references list follow APA format?
- Does the student use parenthetical references correctly?
- Does the student use signal phrases?
- Does the student use appropriate quotations or paraphrases?
- Are there any uncited sources in the references list?
- Are references to sources clearly being used for the writer's own purposes, or are they somewhat arbitrary?
- Are there any possible plagiarism problems?

DISCUSSION FORUM SCORING GUIDE

	Points Possible:	Points Earned:
Initial Post <ul style="list-style-type: none"> The initial response contains an original answer to the questions posted that demonstrates mastery of the class material. The initial response addresses each part of the prompt and adheres to the length requirement given. The initial response to the discussion prompt must be posted by 11:59 pm Eastern Standard Time on day four of the unit to allow other students adequate time to respond. 	5	
Responses to Others: <ul style="list-style-type: none"> Students will respond at least once to two other students' initial discussion responses to offer constructive criticism or affirmation, or pose an additional question. This allows for new thoughts, ideas, and information to be presented and exchanged. Discussions occur when there is dialogue; therefore, students need to build upon the posts and responses of other learners to create threads of discussion. For each discussion question, each student will read the discussions of other students in the course. They should make sure to revisit the discussion forum and respond (if necessary) to what other learners have posted to their initial responses. These do not count towards the two required responses; however, it is factored into the participation grade. Posts and responses should be thorough and thoughtful. Just posting "I agree" or "Good ideas" will not be considered adequate. Students should support statements by including examples, prior knowledge, work experiences, references, websites, resources, etc. (giving credit when appropriate). Students should make certain that all posts and responses address the question, problem, or situation as presented for discussion. This does not mean students should not extend the topic, but they should not stray from it. These peer responses must be posted by 11:59 pm Eastern Standard Time on day seven of the unit. 	4	
Grammar and Spelling <ul style="list-style-type: none"> All posts and responses should be free of grammatical or structural errors. "Text Speak" is not allowed. (For instance, capitalize the word "I" and spell out "you.") APA citations must be included for any quoted or paraphrased information from other sources. 	1	