

Syllabus

FINC-530: Applied Managerial Finance

Course Description

In this course, the student will study the discipline of financial management by calculating and interpreting capital budgeting methodologies, formulating and analyzing the required rate of return on capital, designing and managing the optimal capital structure for an organization, determining an appropriate dividend policy, and creating appropriate short-term financing and working capital strategies. Students will also model cash forecasting and evaluate company performance to its annual objectives. A biblical and ethical framework will be integrated throughout the course to help guide financial management decision making.

Credit Hours: 3

Prerequisite Courses: Successful completion of either FINC-510: Financial Reporting and Analysis or FINC-525: Accounting and Finance for Managers

Course Outcomes

Upon successful completion of this course, students should be able to:

1. Calculate and interpret capital budgeting methodologies.
 2. Formulate and analyze the required rate of return on capital.
 3. Design and manage the optimal capital structure for an organization.
 4. Evaluate industry standards to determine appropriate credit and payment terms.
 5. Create appropriate short-term financing and working capital strategies.
 6. Evaluate company performance to its annual objectives by modeling cash forecasting.
 7. Integrate a biblical and ethical framework to help guide financial management decision making.
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Course Topics

- Capital budgeting
 - Dividend and equity policy
 - Cost of capital
 - Working capital and cash management
 - Managing capital structure
 - Mergers and acquisitions
 - Just-in-time inventory management
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Course Resources

Ross, S. A., Westerfield, R. W., & Jordan, B. D. (2019). *Fundamentals of corporate finance* (12th ed.). McGraw-Hill Education.

*Please note: This e-text is an embedded McGraw-Hill Connect resource that is accessible through the table of contents.

An optional, loose leaf copy of the course book is available at additional cost through Connect by following the "loose leaf copy" link found in MH Connect.

IWU Diversity Statement

IWU, in covenant with God's reconciling work and in accordance with the Biblical principles of our historic Wesleyan tradition, commits to build a community that reflects Kingdom diversity.

We will foster an intentional environment for living, teaching, and learning, which exhibits honor, respect, and dignity. Acknowledging visible or invisible differences, our community authentically values each member's earthly and eternal worth. We refute ignorance and isolation and embrace deliberate and courageous engagement that exhibits Christ's commandment to love all humankind. (2016)

Grading Scale

Grade	Quality Points Per Credit	Percentage	Score
A	4.0	95%–100%	950–1,000
A-	3.7	92%–94.9%	920–949
B+	3.3	89%–91.9%	890–919
B	3.0	85%–88.9%	850–889
B-	2.7	82%–84.9%	820–849
C+	2.3	79%–81.9%	790–819
C	2.0	75%–78.9%	750–789
C-	1.7	72%–74.9%	720–749
D+	1.3	69%–71.9%	690–719
D	1.0	65%–68.9%	650–689
F	0.0	0%–64.9%	0–649

Note: In graduate level courses, a grade of C- or below will require the course to be repeated.

Grading Policies

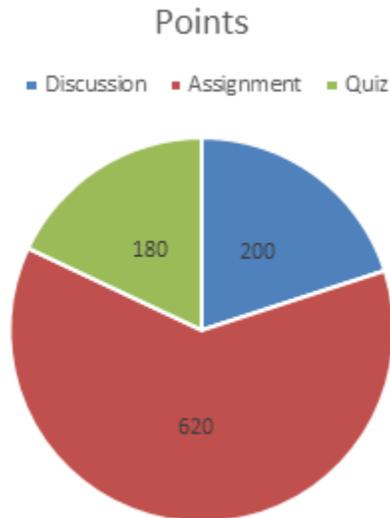
Your grading policy for your course is dependent on your school and program. Your grading policies can be found in the [IWU Catalog](#).

Letter Grade Equivalencies

Grade	Quality Points Per Credit
A	Clearly stands out as excellent performance. Has unusually sharp insights into material and initiates thoughtful questions. Sees many sides of an issue. Articulates well and writes logically and clearly. Integrates ideas previously learned from this and other disciplines. Anticipates next steps in progression of ideas. Example "A" work should be of such nature that it could be put on reserve for all cohort members to review and emulate. The "A" cohort member is, in fact, an example for others to follow.
B	Demonstrates a solid comprehension of the subject matter and always accomplishes all course requirements. Serves as an active participant and listener. Communicates orally and in writing at an acceptable level for the degree program. Work shows intuition and creativity. Example "B" work indicates good quality of performance and is given in recognition for solid work; a "B" should be considered a good grade and awarded to those who submit assignments of quality less than the exemplary work described above.
C	Quality and quantity of work in and out of class is average. Has marginal comprehension, communication skills, or initiative. Requirements of the assignments are addressed at least minimally.
D	Quality and quantity of work is below average. Has minimal comprehension, communication skills, or initiative. Requirements of the assignments are addressed at below acceptable levels.
F	Quality and quantity of work is unacceptable and does not qualify the student to progress to a more advanced level of work.

Note: In graduate level courses, a grade of C- or below will require the course to be repeated.

Grade Summary



Workshop Outlines

Workshop One Outcomes

Upon successful completion of this workshop, you will be able to:

- Determine the financial suitability of capital budgeting projects utilizing common mathematical analysis techniques.
- Evaluate the advantages and disadvantages of common capital budgeting techniques.
- Determine the relevant cash flows for a proposed capital investment project.
- Determine if a project is acceptable and by what standards.
- Set a bid price for a project.
- Evaluate the equivalent annual cost of a project.
- Evaluate a biblical perspective on the subject of finance as it relates to planning and values.
- Research the current literature on the subject of capital budgeting, and then choose and discuss an article that relates to the concepts learned in the textbook.
- Evaluate a company's financial strengths and weaknesses based on its public financial statements.
- Analyze a company's capital structure and potential financial risks.
- Develop recommendations for management action based on a company's financial strengths, weaknesses, and risks.

Workshop One Outline

Title	Due Dates	Time	Points
1.1 Exercise: Reflection of Financial Planning and Ethics	Due by the end of the workshop.	30 minutes	0
1.2 Exercise: Register for Connect	Due by the end of the workshop.	30 minutes	0
1.3 Discussion: Collaboration	Due by the end of the workshop.	1 hour	0
1.4 Discussion: Capital Budgeting Initial Post	Initial post due by the end of this workshop. Responses due by the end of Workshop Two.	2 hours	24
1.5 Assignment: Problems for Chapters 9 and 10	Due by the end of the workshop.	7 hours	60
1.6 Connect: Workshop One Quiz	Due by the end of the workshop.	3 hours	30
1.7 Assignment: Financial Case Study Paper—Company Overview	Due by the end of the workshop.	2 hours	25
Totals		16 hours*	139

*These times are only estimates. Actual completion times will vary.

Workshop Two Outcomes

Upon successful completion of this workshop, you will be able to:

- Calculate the return on an investment.
- Assess the historical returns and risks on various types of investments.
- Understand the implications of market efficiency.
- Calculate expected returns.
- Assess the impact of diversification.
- Understand the security market line and the risk-return trade off.

- Evaluate a biblical perspective on the subject of finance as it relates to planning and values.
- Assess the impact of corporate downsizing and how that might affect expected returns.
- Evaluate a company's financial strengths and weaknesses based on its public financial statements.
- Analyze a company's capital structure and potential financial risks.
- Develop recommendations for management action based on a company's financial strengths, weaknesses, and risks.
- Research the current literature on the subject of capital budgeting, and then choose and discuss an article that relates to the concepts learned in the textbook.

Workshop Two Outline

Title	Due Dates	Time	Points
2.1 Exercise: Reflection of God's Investment in Us	Due by the end of the workshop.	.5 hour	0
2.2 Discussion: Collaboration	Due by the end of the workshop.	1 hour	0
2.3 Discussion: Corporate Downsizing Initial Post	Initial post due by the end of this workshop. Responses due by the end of Workshop Three.	2 hours	24
2.4 Assignment: Problems for Chapters 12 and 13	Due by the end of the workshop.	7 hours	60
2.5 Connect: Workshop Two Quiz	Due by the end of the workshop.	3 hours	30
2.6 Assignment: Financial Case Study Paper—Environmental Factors Analysis	Due by the end of the workshop.	2 hours	25
2.7 Discussion: Capital Budgeting Responses	Initial post is due by the end of Workshop One. Responses due by the end of this workshop.	1 hour	16

Title	Due Dates	Time	Points
Totals		16.5 hours*	155

*These times are only estimates. Actual completion times will vary.

Workshop Three Outcomes

Upon successful completion of this workshop, you will be able to:

- Calculate a firm's cost of equity capital and cost of debt.
- Determine a firm's overall cost of capital.
- Understand the venture capital market and its role in the financing of new, high-risk ventures.
- Assess how securities are sold to the public and the role of investment banks in the process.
- Evaluate initial public offerings and some of the costs of going public.
- Assess how rights are issued to existing shareholders and how to value those rights.
- Integrate a biblical and ethical framework to help guide financial management decision making.
- Evaluate a company's financial strengths and weaknesses based on its public financial statements.
- Analyze a company's capital structure and potential financial risks.
- Develop recommendations for management action based on a company's financial strengths, weaknesses, and risks.
- Assess the impact of corporate downsizing and how that might affect expected returns.

Workshop Three Outline

Title	Due Dates	Time	Points
3.1 Exercise: Reflection of Faith and Risk	Due by the end of the workshop.	.5 hour	0
3.2 Discussion: Collaboration	Due by the end of the workshop.	1 hour	0
3.3 Discussion: Debt vs. Equity Initial Post	Initial posts are due by the end of this workshop.	2 hours	24

Title	Due Dates	Time	Points
	Responses are due by the end of Workshop Four.		
3.4 Assignment: Problems for Chapters 14 and 15	Due by the end of the workshop.	7 hours	60
3.5 Connect: Workshop Three Quiz	Due by the end of the workshop.	3 hours	30
3.6 Assignment: Financial Case Study Paper—Ratio Analysis	Due by the end of the workshop.	3 hours	25
3.7 Discussion: Corporate Downsizing Responses	Initial post are due by the end of Workshop Two. Responses are due by the end of this workshop.	1 hour	16
Totals		17.5 hours*	155

*These times are only estimates. Actual completion times will vary.

Workshop Four Outcomes

Upon successful completion of this workshop, you will be able to:

- Calculate and assess the effects of financial leverage.
- Analyze the impact of taxes and bankruptcy on capital structure choice.
- Assess the bankruptcy process.
- Assess the types of dividends and how they are paid.
- Analyze the issues surrounding dividend policy decisions.
- Understand the difference between cash and stock dividends.
- Assess why share repurchases are an alternative to dividends.
- Integrate a biblical and ethical framework to help guide financial management decision making.
- Evaluate a company's financial strengths and weaknesses based on its public financial statements.
- Analyze a company's capital structure and potential financial risks.
- Develop recommendations for management action based on a company's financial strengths, weaknesses, and risks.

- Understand the venture capital market and its role in the financing of new, high-risk ventures.
- Assess how securities are sold to the public and the role of investment banks in the process.
- Evaluate initial public offerings and some of the costs of going public.

Workshop Four Outline

Title	Due Dates	Time	Points
4.1 Exercise: Reflection of Laying a Foundation	Due by the end of the workshop.	.5 hour	0
4.2 Discussion: Collaboration	Due by the end of the workshop.	1 hour	0
4.3 Discussion: Dividend Policy Initial Post	The initial post is due by the end of this workshop. Responses are due by the end of Workshop Five.	2 hours	24
4.4 Assignment: Problems for Chapters 16 and 17	Due by the end of the workshop.	7 hours	60
4.5 Connect: Workshop Four Quiz	Due by the end of the workshop.	3 hours	30
4.6 Assignment: Financial Case Study Paper—Capital Structure and Risk Analysis	Due at the end of the workshop.	3 hours	25
4.7 Discussion: Debt vs. Equity Responses	Initial posts were due by the end of Workshop Three. Responses are due by the end of this workshop.	1 hour	16
Totals		17.5 hours*	155

*These times are only estimates. Actual completion times will vary.

Workshop Five Outcomes

Upon successful completion of this workshop, you will be able to:

- Calculate and assess operating and cash cycles.
- Analyze the different types of short-term financial policies.
- Assess the sources and uses of cash on a firm's balance sheet.
- Assess how firms manage their receivables and the basic components of a firm's credit policies.
- Analyze the decision-making process by a firm to grant credit.
- Apply the types of inventory and inventory management systems.
- Calculate the costs of carrying inventory and the optimal inventory level.
- Integrate a biblical and ethical framework to help guide financial management decision making.
- Evaluate a company's financial strengths and weaknesses based on its public financial statements.
- Analyze a company's capital structure and potential financial risks.
- Develop recommendations for management action based on a company's financial strengths, weaknesses, and risks.
- Assess the types of dividends and how they are paid.
- Analyze the issues surrounding dividend policy decisions.

Workshop Five Outline

Title	Due Dates	Time	Points
5.1 Exercise: Reflection of Financial Talents	Due by the end of the workshop.	.5 hour	0
5.2 Discussion: Collaboration	Due by the end of the workshop.	1 hour	0
5.3 Discussion: Just-in-Time Inventory Management Initial Post	Your initial post is due by the end of this workshop. Your responses are due by the end of Workshop Six.	2 hours	24
5.4 Assignment: Problems for Chapters 18 and 20	Due by the end of the workshop.	7 hours	60
5.5 Connect: Workshop Five Quiz	Due by the end of the workshop.	3 hours	30
5.6 Assignment: Financial Case Study Paper—Recommendations	Due by the end of the workshop.	2 hours	25

Title	Due Dates	Time	Points
5.7 Discussion: Dividend Policy Responses	The initial post is due by the end of Workshop Four. Responses are due by the end of this workshop.	1 hour	16
Totals		16.5 hours*	155

*These times are only estimates. Actual completion times will vary.

Workshop Six Outcomes

Upon successful completion of this workshop, you will be able to:

- Analyze the different types of mergers and acquisitions and why they should or should not be pursued.
- Calculate the combined balance sheet of the newly formed combined company.
- Calculate the gains from a merger or acquisition and how to value the transaction.
- Integrate a biblical and ethical framework to help guide financial management decision making.
- Evaluate a company's financial strengths and weaknesses based on its public financial statements.
- Analyze a company's capital structure and potential financial risks.
- Develop recommendations for management action based on a company's financial strengths, weaknesses, and risks.
- Apply the types of inventory and inventory management systems.
- Calculate the costs of carrying inventory and the optimal inventory level.

Workshop Six Outline

Title	Due Dates	Time	Points
6.1 Exercise: Reflection of the Value of Wisdom	Due by the end of the workshop.	.5 hour	0
6.2 Discussion: Collaboration	Due by the end of the workshop.	1 hour	0

Title	Due Dates	Time	Points
6.3 Assignment: Mergers and Acquisitions	Due by the end of the workshop.	3 hours	45
6.4 Assignment: Problems for Chapter 26	Due by the end of the workshop.	4 hours	50
6.5 Connect: Workshop Six Quiz	Due by the end of the workshop.	3 hours	30
6.6 Assignment: Financial Case Study Paper	Due by the end of the workshop.	5 hours	100
6.7 Discussion: Just-in-Time Inventory Management Responses	The initial post is due by the end of Workshop Five. Responses are due by the end of this workshop.	1 hour	16
End of Course Survey	Due by the end of the workshop.	.5 hour	10 Extra Credit
Totals		18 hours*	241

*These times are only estimates. Actual completion times will vary.

Outline Totals

Total Time	Total Points
102 hours*	1,000

* These timings are based on estimations of average times to complete each activity. Actual activity completion times will vary.

Alternative Assignment Policy

Students with a documented disability may request accommodations for an alternative assignment(s) for course activities (Examples: video

assignments, etc.). It is the student's responsibility to submit the form received from the Disability Services Office indicating his or her specific accommodation to the instructor prior to the start of each course.

Expectations, Policies, and Important Student Information

School/Division	
DeVoe School of Business	
Division of Liberal Arts	View School/Division Expectations
School of Services and Leadership	
School of Educational Leadership	View School/Division Expectations
Wesley Seminary @ IWU	View School/Division Expectations
Nursing - Undergraduate	View School/Division Expectations
Nursing - Graduate	View School/Division Expectations

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