

QSM475: Introduction to Financial Systems

Syllabus Overview

This syllabus contains all relevant information about the course: its objectives and outcomes, the grading criteria, the texts and other materials of instruction, and weekly topics, outcomes, assignments, and due dates. Consider this your roadmap for the course. Please read through the syllabus carefully and ask questions if you would like anything clarified. Please print a copy of this syllabus for reference.

Course Description

3 Credits

Prerequisite: None

The purpose of this course is to enable students to understand basic financial concepts and the correlations that exist between Finance and Quality Management. Through the course material, students will also gain insight into the importance of a company's financial statements such as the balance sheet, income statement and the use financial indicators.

Additional topics include quality cost systems, root cause analysis and the application of these concept. Students will gain insight into the basic concepts of finance and develop a comprehension and practical understanding of the critical role of finance in operations, process improvement and quality analysis.

Course Outcomes

At the completion of this course, students should be able to:

- Identify key financial concepts/terminology;
- Develop and enhance skills to initiate, execute and develop Lean Six Sigma and DMAIC tools in a financial context;
- Integrate modern operations practices with traditional finance/accounting practices;
- Develop analytical skills in financial applications;
- Identify and utilize traditional finance-based tools and Activity Based Costing and their application in a well-structured financial analysis;
- Define and calculate the importance of Return on Investment (ROI) and Payback;
- Apply financial concepts within operations and quality projects;
- Utilize key financial indicators to confirm identify root causes of a problem statement.

Communication with Your Instructor

You will receive a welcome email from your instructor prior to the start of class. This email will contain your instructor's contact information. Your instructor will also be communicating with you via several methods in the course, including:

- **Announcements** – This communication tool, located on the navigation menu within your course in Canvas, contains important updates. Be sure to check for new announcements from your instructor each time you access your course.
- **Q&A** – Use this discussion board, located on the Home screen in your course, to communicate with your instructor and classmates regarding general course questions (i.e. missing links, assignment clarification, etc.).
- **Inbox** – Use the Inbox, located in the top right corner of Canvas, to send a message to your instructor or classmates.

Materials and Resources

Required or Supplemental Text or Resources:

Textbook:

Keown, A. J., Martin, J. H., & Petty, J. W. (2017). *Foundations of finance*. (9th Ed.). Boston: Prentice Hall.
ISBN-10: 0134083288 ISBN-13: 978-0134083285

Articles and Case Studies:

Bryan, Christopher S. (2012). Fraud deterrence in the role of leadership. *Financial Executive*, p. 20+. Retrieved from Academic OneFile, http://link.galegroup.com/prx-.lirn.net/apps/doc/A282841895/AONE?u=m1n_b_usin&sid=AONE&xid=0210051f

Bookstore Information

The bookstore can be located in the left-hand navigation of any Canvas course.

Library Services

Detailed information about the eLibrary can be found in the Student Resource Center. This is a course that all students have access to during their academic career.

Canvas Help Desk and Technical Questions

If you experience technical issues in your course, please contact the Canvas Help Desk by clicking the Help link (top right corner within Canvas). There are 3 ways to contact them:

- Phone (888-628-2749)
- Live chat
- Report a problem (submit a ticket)

Be sure to notify your instructor of any technical difficulties you are experiencing.

Additional resources are available in the Student Resource Center and the Canvas Guides website:
<https://community.canvaslms.com/docs/DOC-4121>

Weekly Schedule

Week 1 Introduction to Business Finance	
Outcomes	<ol style="list-style-type: none"> 1. Define the three-primary legal business organizational forms and their advantages and disadvantages 2. Describe the primary goals of any operations 3. Explain the functions of the four major financial measuring instruments 4. Describe the function of financial ratios and how they are used in business 5. Define the major components of cost 6. Describe the importance of financial tools in reinforcing business ethics within an organization
Reading	Keown, A. J., Martin, J. H. , & Petty, J. W. (2017) Chapter 1
Lectures	<ol style="list-style-type: none"> 1. Introduction to Business Finance 2. The Role of Finance in Business 3. Legal Forms of Business Organization
Multimedia	<ul style="list-style-type: none"> • Financial introduction • Business Financial Ethics-
Discussion	<p>In Byran's article, we read about the ethical responsibility of leadership to ensure the accuracy of the firm's financial reporting. Find an article that discusses and analysis a firm's failure to report in an ethical and legal manner. Share with the class the summary of the situation and the resulting unethical behavior. Then share your opinion what leadership should have done to avoid the situation. Please note in this class you will have a number of assignments that require research for articles. You need to always include the APA formatted citation for the article so others can find it, if they want to read the original article.</p> <p>Discussion board closes Sunday, 6:00 AM, Eastern Time. You must post at least two substantive peer posts prior to discussion closing ("I agree" messages will not count).</p>
Assignments	<p>Individual Assignment:</p> <p>Research for an article or scholarly paper discussion the ethics in Business. The article should be focused on the failure of an organization to act ethically. Provide a two to three-page paper in APA format (double-spaced not counting title and reference pages) summarizing the article and explaining the ethical issue and its impact on the</p>

	<p>organization and/or the community. Provide recommendation on how leadership can avoid similar issues in their own organization.</p> <p>Due Monday at 6:00 AM Eastern time.</p>
Quiz	None
Week 2	Reporting and Evaluating a Firm's Financial Performance
Outcomes	<ol style="list-style-type: none"> 1. Define Cost categories and their importance to business 2. Identify the differences between Prevention, Appraisal & Failure Cost 3. Summarize Quality Cost 4. Define Cost of Quality COPC/Cost of Nonconformance
Reading	Keown, A. J., Martin, J. H. , & Petty, J. W. (2017) Chapter 3 & 4
Lectures	<ol style="list-style-type: none"> 1. Reporting and Evaluating a Firm's Financial Performance 2. The Income Statement
Multimedia	<ul style="list-style-type: none"> • Balance Sheet • Profit & Loss
Discussion	<p>Find a public companies financial statement online or in the eLibrary for either 2016 or 2017, review the firms balance sheet and income statement.</p> <p>Provide a summary of the corporation's financial condition. Your comments should clearly defend your comments and provide the data to justify your conclusions. You should also indicate if you would be willing to invest in this company and why.</p> <p>Initial post of not less than 200 words due Thursday, 6:00 AM, Eastern Time. Discussion board closes Sunday, 6:00 AM, Eastern Time. You must post at least two substantive peer posts prior to discussion closing ("I agree" messages will not count).</p>
Assignments	<p>Individual Assignment: Application of financial ratios</p> <p>Instructions: Use the provided balance sheet and income statements and calculate the organizations: Current Ratio, Quick Ratio, Cash Flow and Debit-to-Equity Ratio. Then, provide a two to three-page paper in APA format (double-spaced not counting title and reference pages). In the paper, you will show the calculations and results for each of these ratios and explain in your own words what this ratio measures and what you can tell about this organization from the results.</p> <p>Due Monday at 6:00 AM Eastern time</p>
Quiz	None

Week 3 Financial Forecasting, Planning and Budgeting	
Outcomes	<ol style="list-style-type: none"> 1. Define the purpose of financial forecasting. 2. Explain the primary objectives of financial planning. 3. Compare financial and sales forecasting. 4. Explain the various budgets that are created when developing Financial planning and budget.
Reading	Keown, A. J., Martin, J. H., & Petty, J. W. (2017) Chapter 14
Lectures	<ol style="list-style-type: none"> 1. Financial Forecasting 2. Limitations of the Percent of Sales Forecasting Method
Multimedia	<ul style="list-style-type: none"> • Budgeting vs. Forecasting • Basic Budgeting • What is Financial Planning
Discussion	<p>Go to the following website (www.accounting-degree.org/scandals/) and review the material provided on “The 10 Worst” corporate accounting scandals of all time. Select one and find an article regarding the event. Then provide a summary of the situation and share what financial activity they violated and why it was wrong. If there were any repercussions, such as legislation or new laws, share them and their impact.</p> <p>Initial post of not less than 200 words due Thursday, 6:00 AM, Eastern Time. Discussion board closes Sunday, 6:00 AM, Eastern Time. You must post at least two substantive peer posts prior to discussion closing (“I agree” messages will not count).</p>
Assignments	<p>Individual Assignment</p> <p>Use an excel spreadsheet to complete problem 14-1 at the end of the chapter. Submit the excel spreadsheet make sure you place your name and the course name at the top of the spreadsheet.</p> <p>Due Monday at 6:00 AM Eastern time.</p>
Quiz	None
Week 4 Capital Budgeting	
Outcomes	<ol style="list-style-type: none"> 1. Describe how to find profitable capital projects 2. Explain the use of the tools use to select or reject capital projects 3. Explain how to rank project when capital is limited 4. Describe the ethical considerations in capital budgeting decisions.
Reading	Keown, A. J., Martin, J. H., & Petty, J. W. (2017) Chapter 10

Lectures	<ol style="list-style-type: none"> 1. Finding Profitable Projects Part 1 2. Finding Profitable Projects Part 2
Multimedia	<ul style="list-style-type: none"> • What is capital budgeting • What are the steps in capital budgeting
Discussion	<p>In this week's reading and lecture, we will talk about the following four terms from capital budgeting. Select one of these terms and find an article discussing their use or application in a business. Provide a summary of the article and share in your own words why it is important to a company's operations and/or how they might use it.</p> <p>Payback Period</p> <p>Net Present Value</p> <p>Profitability Index</p> <p>Internal Rate of Return</p> <p>Initial post of not less than 200 words due Thursday, 6:00 AM, Eastern Time. Discussion board closes Sunday, 6:00 AM, Eastern Time. You must post at least two substantive peer posts prior to discussion closing ("I agree" messages will not count).</p>
Assignments	<p>Individual Assignment</p> <p>Instructions:</p> <p>For the next few weeks, you will be evaluating a public company of your choosing. Go to their website and download their latest financial statements and their latest annual report. This week you will review the last three-year period, you are to compare the financial reports and comment on their historical record. Which elements are indicators of good or poor performance? You may use any other source you may find to help you with the analysis, just make sure you cite them. Provide a two to three-page paper in APA format (double-spaced not counting title and reference pages).</p> <p>Due Monday at 6:00 AM Eastern time.</p>
Quiz	None
Week 5	Corporate Financial Instruments
Outcomes	<ol style="list-style-type: none"> 1. Explain how corporations raise capital 2. Define common stock and explain the rights and risk. 3. Define preferred stock and explain the rights and risk. 4. Explain the differences between common and preferred stock
Reading	Keown, A. J., Martin, J. H., & Petty, J. W. (2017) Chapter 8

Lectures	<ol style="list-style-type: none"> 1. Preferred Stock 2. Common Stock
Multimedia	<ul style="list-style-type: none"> • What is common and preferred stocks • What is the stock exchange
Discussion	<p>Instructions:</p> <p>Find a current article that evaluates a corporation's stocks and financial condition. The article should be talking about the current and predicted performance of the stock. You should summarize the article sharing the predictions. Then, based on your reading, indicate if you agree or disagree with the predictions and explain why.</p> <p>Initial post of not less than 200 words due Thursday, 6:00 AM, Eastern Time. Discussion board closes Sunday, 6:00 AM, Eastern Time. You must post at least two substantive peer posts prior to discussion closing ("I agree" messages will not count).</p>
Assignments	<p>Individual Assignment</p> <p>Instructions:</p> <p>You will use the same company you selected last week for this assignment. In the annual report, there should be a summary by the senior management (usually the CEO) about the year's performance. Are these comments supported by the Financial data? According to management, what internal/external influences impacted the data referenced by management? Remember, a comparison from year to year is our intent. Provide a two to three-page paper in APA format (double-spaced not counting title and reference pages).</p> <p>Due Monday at 6:00 AM Eastern time.</p>
Quiz	Refer to your course
Week 6	Financial Markets
Outcomes	<ol style="list-style-type: none"> 1. Describe key components of the U.S. financial market system and the financing of business. 2. Identify how funds are raised in the capital markets. 3. Explain the role of venture capitalist. 4. Explain Fund transfer methods
Reading	Keown, A. J., Martin, J. H., & Petty, J. W. (2017) Chapter 11

Lectures	<ol style="list-style-type: none"> 1. Financing of Business 2. Selling Securities to the Public
Multimedia	<ul style="list-style-type: none"> • What are financial markets? • What are financial instruments • What are financial Institutions?
Discussion	<p>Find an article discussing the offering of a new stock to the public. Share a summary of what the article shared about the offering and any details about the value or pricing of the stock. Provide a personal assessment of the likelihood that you would have personally invested in the stock (assume you have the funds to do so). Explain how and why you made your decision to either buy or not buy the stock.</p> <p>Initial post of not less than 200 words due Thursday, 6:00 AM, Eastern Time. Discussion board closes Sunday, 6:00 AM, Eastern Time. You must post at least two substantive peer posts prior to discussion closing ("I agree" messages will not count).</p>
Assignments	<p>Individual Assignment</p> <p>Instructions: You will use the same company you selected last week for this assignment. Select a competitor of the company you chose earlier. You will often find who they are in the annual report itself. Collect the same financial information that you obtained for the first company. Compare the financial data and prepare comments comparing the relative success/performance/growth of the two companies. Provide a two to three-page paper in APA format (double-spaced not counting title and reference pages).</p> <p>Due Monday at 6:00 AM Eastern time.</p>
Quiz	None
Week 7 Determining the Financing Mix	
Outcomes	<ol style="list-style-type: none"> 1. Define Business risk 2. Define Financial risk 3. Compare Business and Financial Risk 4. Explain the Break-even point
Reading	Keown, A. J., Martin, J. H., & Petty, J. W. (2017) Chapter 12
Lectures	<ol style="list-style-type: none"> 1. Understanding the Difference Between Business and Financial Risk 2. Sources of Operating Leverage

Multimedia	<ul style="list-style-type: none"> • Project or Quality Financial Risk • Introduction to risk management
Discussion	<p>In project and/or quality management, one of the most important factors is Risk Assessment. Find an article that discusses the topic of Risk Analysis or Avoidance. Provide a summary of the article and explain its concepts as they apply to project and/or quality management.</p> <p>Initial post of not less than 200 words due Thursday, 6:00 AM, Eastern Time. Discussion board closes Sunday, 6:00 AM, Eastern Time. You must post at least two substantive peer posts prior to discussion closing ("I agree" messages will not count).</p>
Assignments	<p>Individual Courses Assignment <u>(Due at the end of week eight)</u></p> <p>Instructions:</p> <p>Research the topic of Ethics in Financial Reporting or Ethics in Finance in general. Provide a summary of the importance of ethical behavior and share what you learned about ethics in financial reporting. What are some of the indicators leadership should look for to ensure ethical behavior? Also, what are the legal and ethical obligations of an employee. What should they do if they observe potential unethical behavior?</p> <p>The paper is to be in APA format (title page, double-spaced, and reference page). The paper should be three to five pages not counting the title page or reference page. You will have a minimum of three <u>scholarly</u> resources.</p> <p>Due Friday of Week 8 at 6:00 AM Eastern Standard Time.</p>
Quiz	None
Week 8	International Business Finance
Outcomes	<ol style="list-style-type: none"> 1. Explain the meaning of Globalization 2. Discuss the importance of foreign currency management 3. Explain the concern associated with exchange rate risk 4. Explain Hedging strategies
Reading	Keown, A. J., Martin, J. H., & Petty, J. W. (2017) Chapter 17
Lectures	<ol style="list-style-type: none"> 1. Globalization of Product and Financial Markets 2. Foreign Exchange Markets and Currency Exchange Rates
Multimedia	<ul style="list-style-type: none"> • Globalization • Foreign exchange hedge • Foreign exchange management

Discussion	<p>Select a topic we studied during this course that has had the most significant impact on you. Find an article on the topic and provide a summary of the article and its key elements. Then share why this topic has been significant to you and how you plan to use it in your personal or professional life.</p> <p>Initial post of not less than 200 words due Thursday, 6:00 AM, Eastern Time. Discussion board closes Sunday, 6:00 AM, Eastern Time. You must post at least two substantive peer posts prior to discussion closing ("I agree" messages will not count).</p>
Assignments	<p>Individual Assignment (Assigned in week seven due end of week eight)</p> <p>Instructions:</p> <p>Research the topic of Ethics in Financial Reporting or Ethics in Finance in General. Provide a summary of the importance of ethical behavior and share what you learned about ethics in financial reporting. What are some of the indicators leadership should look for to ensure ethical behavior? Also, what are the legal and ethical obligations of an employee. What should they do if they observe potential unethical behavior?</p> <p>The paper is to be in APA format (title page, double-spaced, and reference page). The paper should be three to five pages not counting the title page or reference page. You will have a minimum of three <u>scholarly</u> resources.</p>
Quiz	None

Grading and Evaluation

Your grades will reflect the way in which you present and support your topics and positions in the various learning activities used in this course. The grades will be based on the quality and quantity of your comments and responses in the various activities.

Be sure to review the discussion and assignment rubrics in the course for specific grading criteria.

The various graded activities are weighted as follows:

Course Element	% of Final Grade
Assignments (6)	30 %
Discussions (8)	40%
Final Course Paper (1)	30%
Total	100%

Students will be expected to meet all the deadlines of the class as indicated throughout the course and in the syllabus. This is primarily so we don't get behind in the course. In addition, discussions cannot overlap from one week to the next. This is to ensure that all discussions and submissions take place within the week they are scheduled in order to be of value to the entire class as well as to help you not

get behind. If there are extenuating circumstances, you will need to communicate that to the instructor and make arrangements accordingly, if appropriate.

Late Assignments: Exceptions are to be determined by the instructor on a case-by-case basis. There will be no opportunities for extra credit.

Learner Success Guidelines

These guidelines are provided to help you succeed in your coursework:

- Participate in the class introduction activity on the first day of class.
- Submit ALL assignments by the posted due dates and times.
- Check your emails daily.
- Contact Portal Help for logon problems or Canvas Help for technical issues with Canvas.
- Participate fully in all threaded discussions.
- Contact your instructor if you have questions about an assignment or need additional help completing your work successfully.

Academic dishonesty is grounds for dismissal from the program.

Academic Policies

The following Academic Policies can be found in the [Student Resource Center](#).

- Grading Criteria
- Reasonable Accommodations Policy
- Student Attendance Policy
- Academic Honesty and Integrity Policy
- Student Engagement and the Granting of Academic Credit
- Copyright Policy

Caveat

The above schedule, content, and procedures in this course are subject to change. All policies are superseded by the latest College Catalog available on our website:

<https://www.cambridgecollege.edu/student-rights-complaints-grievances/student-code-conduct>

