



## UNIVERSITY OF THE INCARNATE WORD

### *Extended Academic Programs*

*Term: Spring 2 2016*

*Syllabus: PMBA 6311 Managerial Finance*

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Office Hours: By appointment

### **Catalog description:**

*In managerial finance, students will be introduced to tools used to measure and evaluate the financial health of a firm for the purpose of improved managerial decision-making. Financial statements are used to conduct ratio analysis, to perform sustainable growth analysis, and to construct percent-of-sales forecasts and cash flow proformas. Students will also explore the merits of using debt versus equity to take advantage of market opportunities. Students will expand upon their knowledge of the time value of money and risk analysis to value investment opportunities in stocks, bonds, and capital budgeting projects including mergers and acquisitions. In depth coverage will be given to valuation tools including discounted cash flow analysis, the weighted average cost of capital, leveraged beta, and market multiples. The assumptions underlying base case analyses will be evaluated using logic, sensitivity analysis, and scenario analysis. Finally, the role of effective corporate governance and ethical decision-making will be covered.*

### **Context:**

*Prerequisite: Principles of Financial Management BFIN3321, or a comparable course.*

### **Course overview:**

Topics to be included / Teaching strategies / Technological skills development

- ✚ Topics include ratio analysis, forecasting, smart growth, capital structure, risk analysis, discounted cash flow analysis, net present value, the internal rate of return, opportunity cost rate, multiples-based valuation, corporate governance, and mergers and acquisitions.
- ✚ In addition to the supplementing the text with lectures, student-centered, problem-based learning techniques including case studies, simulations, in-class activities, group work, and student presentations and/or facilitation of materials will be utilized.
- ✚ MS Excel will be used to model, analyze, and evaluate organizational performance and capital budgeting proposals.

### **Text:**

Higgins, R. (2011). *Analysis for Financial Management*, 10<sup>th</sup> Edition. McGraw Hill. ISBN: 978-0078034688

<b>Course outcomes:</b> Upon completion of the course, students will be able to	<b>Assessment:</b> The objectives will be assessed
Identify the key drivers of an organization's health and growth prospects	By Critical analysis questions, examinations, and student-centered, problem-based learning activities
Evaluate and critique the data, logic, and assumptions of financial forecasts	By Critical analysis questions, examinations, and student-centered, problem-based learning activities
Value stocks, bonds, and organizations using net present value, risk-return measures, and market multiples	By Critical analysis questions, examinations, and student-centered, problem-based learning activities
Explain the role of corporate governance in ensuring information offered for decision-making.	By Critical analysis questions, examinations, and student-centered, problem-based learning activities

### **Grading Activities, Criteria and Guidelines:**

Assessment	Description	Weight
<b>Problem Sets</b>	After reading the text, each week you are to enhance your understanding of the material by reviewing online videos, external links, and notes and/or PPT presentations for each chapter. You will then use this knowledge to solve problems. Problem sets will be comprised of either end-of-chapter problems and/or online multiple choice questions. Answers to all questions must be submitted before midnight Sunday night. Since students have been provided with advanced notice of due dates for all assignments, late work is strongly discouraged. If for some reason a student has a valid excuse with documentation, late work will be accepted with a deduction up to, equal to, or greater than 15% per day. Further, in order to receive full credit for problems, please show your work when necessary. Finally, complete your work using MS Word or MS Excel.	<b>24%</b>
<b>Case Study Analysis</b>	Students will be assigned a case study to complete by the end of the course. Emphasis will be placed on the main problem being solved, key issues, and/or root causes. Students will be tasked with applying the appropriate analytical tools to case data, both quantitative and qualitative. For some cases, root cause analysis will be used to examine symptoms/key issues to derive alternative solutions mindful of the cause(s). Alternatives will then be critically examined leading to a final solution set. For other cases, the appropriate analytical tools will be used to choose among a set of currently existing alternatives. Finally, some cases will require a combination of both analytical approaches. Students will be provided a “case coach” and grading rubric to assist in constructing case study analyses.	<b>16%</b>
<b>General Discussion</b>	This consists of your weekly postings to our general discussion thread. Weekly threaded discussions have two objectives: 1) for students to discuss how key concepts can be applied in their organizations and 2) for students to discuss how key concepts are being applied in other organizations. Your grade will be based on the degree to which you demonstrate learning through <i>frequent</i> and <i>meaningful</i> discussion with your peers. In order to receive a passing grade, please post your initial response by midnight Wednesday night. Another good rule of thumb is to enter the boards at least three different days per week, and to make sure that you consistently engage your peers in sufficient detail. Threaded discussions must be completed each week before midnight Sunday night.	<b>15%</b>
<b>Midterm Exam</b>	Objective-type examination consisting of multiple choice questions, technical exercises and/or essay problems based over topics from the 1 <sup>st</sup> -half of the term.	<b>20%</b>
<b>Final Exam</b>	Objective-type examination consisting of multiple choice questions, technical exercises and/or essay problems over topics from the 2 <sup>nd</sup> -half of the term and select topics from the 1 <sup>st</sup> half of the term.	<b>25%</b>
<b>Total Grade</b>		<b>100%</b>

**Class Meeting Schedule/Matrix:** Each week you will notice a number in parenthesis. This is the Alternative Learning Equivalency for this course. It is an expectation for the minimum amount of time (hours) you will spend on each topic each week.

Week	Chapter Readings	Homework
1 3-7 to 3-13	Chapter 1 – Interpreting Financial Statements	Presentation/Problems <ul style="list-style-type: none"> <li>Review materials for chapters 1 and 2 before completing Problem Set 1 (3)</li> </ul>

	Chapter 2 – Evaluating Financial Performance	<p>Discussion</p> <ul style="list-style-type: none"> <li>Take part in Week One General Discussion (3)</li> </ul> <p><b>Problem Set 1:</b> Due by midnight Sunday night</p>
2 3-14 to 3-20	Chapter 3 – Financial Forecasting Chapter 4 – Managing Growth	<p>Presentation/Problems</p> <ul style="list-style-type: none"> <li>Review materials for chapters 3 and 4 before completing Problem Set 2 (3)</li> </ul> <p>Discussion</p> <ul style="list-style-type: none"> <li>Take part in Week Two General Discussion (3)</li> </ul> <p><b>Problem Set 2:</b> Due by midnight Sunday night</p>
3 3-21 to 3-27	Chapter 4 – Managing Growth (cont.) Chapter 5 – Financial Instruments and Markets	<p>Presentation/Problems</p> <ul style="list-style-type: none"> <li>Review materials for chapters 4 and 5 before completing Problem Set 3 (3)</li> </ul> <p>Read New Heritage Doll Harvard Case (2)</p> <p>Discussion</p> <ul style="list-style-type: none"> <li>Take part in Week Three General Discussion (2)</li> </ul> <p><b>Problem Set 3:</b> Due by midnight Sunday night</p>
4 3-28 to 4-3	Chapter 5 – Financial Instruments and Markets (cont.) Chapter 6 – The Financing Decision	<p>Presentation/Problems</p> <ul style="list-style-type: none"> <li>Review materials for chapters 5 and 6 before completing Problem Set 4 (3)</li> </ul> <p>Work on New Heritage Doll Case Study (2)</p> <p>Discussion</p> <ul style="list-style-type: none"> <li>Take part in Week Four General Discussion (2)</li> </ul> <p><b>Problem Set 4:</b> Due by midnight Sunday night</p> <p><b>Midterm Examination Due by Midnight Sunday Night</b> (Chapters 1 to 5 in Higgins)</p>
5 4-4 to 4-10	Chapter 7 – Discounted Cash Flow Techniques	<p>Presentation/Problems</p> <ul style="list-style-type: none"> <li>Review materials for chapter 7 before completing Problem Set 5 (3)</li> </ul> <p>Discussion</p> <ul style="list-style-type: none"> <li>Take part in Week Five General Discussion (2)</li> </ul> <p>Work on New Heritage Doll Case Study (2)</p>

		<b>Problem Set 5:</b> Due by midnight Sunday night
6 4-11 to 4-17	Chapter 8 – Risk Analysis in Investment Decisions  Chapter 8 Appendix – Asset Beta and Adjusted Present Value	Presentation/Problems <ul style="list-style-type: none"> <li>Review materials for chapter 8 before completing Problem Set 6 (2)</li> </ul> Work on New Heritage Doll Case Study (2)  Discussion <ul style="list-style-type: none"> <li>Take part in Week Six General Discussion (2)</li> </ul> <b>Problem Set 6:</b> Due by midnight Sunday night
7 4-18 to 4-24	Chapter 8 Appendix – Asset Beta and Adjusted Present Value (cont.)  Chapter 9 – Business Valuation and Corporate Restructuring	Presentation/Problems <ul style="list-style-type: none"> <li>Review materials for the appendix to chapter 8 and chapter 9 before completing Problem Set 7 (2)</li> </ul> Work on New Heritage Doll Case Study (2)  Discussion <ul style="list-style-type: none"> <li>Take part in Week Seven General Discussion (2)</li> </ul> <b>Submit Case Studies by Midnight Sunday Night</b>
8 4-25 to 4-29	Chapter 9 – Business Valuation and Corporate Restructuring	Presentation/Problems <ul style="list-style-type: none"> <li>Review materials for chapter 9 before completing Problem Set 8 (1)</li> </ul> Discussion <ul style="list-style-type: none"> <li>Take part in Week Eight General Discussion (2)</li> </ul> <b>Final Exam</b> (Chapters 6 to 9 in Higgins) (3) <b>Note: Final exam must be completed on or before April 29<sup>th</sup> by 5 PM Central Standard Time (CST)</b>

#### Technical Help:

Students that have forgotten a username or password need to contact the Help Desk: 210-829-2721 or [helpdesk@uiwtx.edu](mailto:helpdesk@uiwtx.edu). They are available 24/7/365 for this purpose. Other major issues will most likely have to wait until regular office hours.

#### Course Drops & Refunds:

**IMPORTANT “DROP COURSE” INFORMATION:** It is the student's responsibility to drop their course within the 100% refund period to avoid assessment of tuition and fees. There will not be a university-initiated drop for non-participation. If you do not plan to attend, you must drop your courses by Friday at 5pm of the first week of the term to be within the 100% refund period. Please submit your drop to <http://online.uiw.edu/course-drop-form>. A \$50 administrative fee is applied for all drops from courses offered through the Virtual University.

ARMY Students must drop their course(s) through GoArmyEd. All active duty military students do not get charged a drop fee.

### **Participation, Punctuality and Attendance: Requirements and Expectations**

- Attendance: Abide by the UIW Attendance Policy as stated in the Catalog, page 92 (<http://www.uiw.edu/registrar/documents/uiw-ug-catalog-2013-2015--final-published-printed-version.pdf>).
- Participation in Virtual courses is expected three out of seven separate days.
- Participation in Hybrid courses is expected in class, and two out of seven separate days.
- Copies of homework, tests, exams, and e-mail communication: Save for your records
- Assignments and Homework with due dates: Expected to be turned-in on time.

### **Academic Honesty Statement**

(<http://www.uiw.edu/registrar/documents/uiw-ug-catalog-2013-2015--final-published-printed-version.pdf>, page 99). University of the Incarnate Word is strongly committed to the nurturing of academic excellence. The University expects its students to pursue and maintain truth, honesty, and personal integrity in their academic work. Academic dishonesty, in any form, constitutes a serious threat to the freedoms, which define an academic community. The following definitions and guidelines have therefore been established to secure the maintenance of academic integrity at Incarnate Word. Forms of academic dishonesty include, but are not limited to:

- Cheating on tests, examinations, or other class or laboratory work.
- Plagiarism (appropriation of another's work and the unacknowledged incorporation of that work in one's own written work offered for credit).
- Counterfeit Work – including turning in as one's own, work which was created, researched, or produced by someone else.
- Falsification of Academic Records – knowingly and improperly changing grades on transcripts, grade sheets, electronic data sheets, class reports, projects, or other academically related documents.
- Unauthorized Reuse of Work – the turning in of the same work to more than one class without consent of the instructor involved constitutes academic dishonesty.
- Theft – unauthorized use or circulation of tests or answer sheets specifically prepared for a given course and as yet not used or publicly released by the instructor of a course, or theft of completed tests.
- Collusion – Involvement in Collusion -unauthorized collaboration with another to violate a provision of the Code of Academic Integrity.
- Facilitating Academic Dishonesty – intentionally or knowingly helping or attempting to help another to violate a provision of the Academic Integrity Policy of the University.

### **Student Disabilities Statement**

The University of the Incarnate Word is committed to providing a supportive, challenging, diverse and integrated environment for all students. In accordance with Section 504 of the Rehabilitation Act – Subpart E and Title III of the American with Disabilities Act (ADA), the University ensures accessibility to its programs, services and activities for qualified students with documented disabilities.

For more information, contact the Student Disability Services office:

Location -- Administration Building, Room 105

Phone – (210) 829-3997 Fax – (210) 829-6078

[www.uiw.edu/sds](http://www.uiw.edu/sds)