

Syllabus for  
**FIN 338—Financial Management**  
3 Credit Hours  
Spring 2004

I. COURSE DESCRIPTION

A study of the basic principles and theories of business finance including the tax environment, cash-flow analysis, working capital management, effects of financial and operational leverage, capital budgeting, cost of capital analysis, investment banking, mergers, acquisitions, reorganizations, and liquidations. Prerequisites: ACT 216 – Principles of Financial and Managerial Accounting II; BUS 102 – Principles of Economics II; and MAT 232 – Elementary Statistics.

II. COURSE GOALS

- A. In line with the purpose of this University, this course seeks to do the following:
  - 1. Contribute to the education of the whole person.
  - 2. Encourage the synthesis and integration of the common bond of knowledge provided by the university into a unified whole.
  - 3. Sharpen the communication, computation, and critical analysis skills of each student.
  - 4. Demonstrate that knowledge and experience are related, not separated.
  - 5. Assist the students' development of basic skills, acquiring of basic knowledge, and formulation of a world vision.
  - 6. Advocate the examination of this field of knowledge in the context of its influence upon and its being influenced by others (press, society, and others).
- B. In keeping with the purpose of the finance program, this course is designed to prepare a student for an active role in professional finance. The program combines the broad foundation of business administration with professional financial knowledge so that the student has the potential of maximum achievement in several of the varied fields within finance (i.e., banking, financial management, and investments). An objective of this program is to focus on the interpretation and implementation of financial decisions. Through all of the courses in finance it is the purpose of the program to develop an integrated person—spiritually alive, intellectually alert, and physically disciplined.
- C. In line with the departmental objectives, this course seeks to prepare the student in the following areas:
  - 1. Critical thinking (skills in reasoning, objectivity, analysis, interpretation, research or decision making relevant to the discipline)
  - 2. Broad, comprehensive, foundational knowledge for the professional standards of the major
  - 3. Internalization of Christian business ethics and professionalism

III. COURSE OBJECTIVES

- A. Upon successful completion of this course the student will be able to do the following:
  - 1. Explain and discuss the relationship between financial management and marketing, management, and accounting.
  - 2. Explain the importance of investment to the economy and the financial manager's responsibility to society.
  - 3. Effectively analyze financial statements and compute the relevant financial ratios.
  - 4. Calculate and discuss issues relating to time value of money.

5. Calculate and discuss the valuation of stocks and bonds and their applicability to corporate finance.
  6. Calculate and discuss the role of risk in the decision-making activities of the firm.
  7. Calculate and discuss the relevant change in cash flows resulting from promotional and other marketing activities of the firm.
  8. Calculate and discuss the relevant impact of earnings and stock prices resulting from promotional and other marketing activities of the firm.
  9. Discuss the process of planning for, acquiring, and utilizing funds in order to maximize the value of the firm.
  10. Apply mathematical concepts and models to various corporate financial situations.
  11. Calculate and discuss foreign exchange issues, purchasing power parity, and interest rate parity in a global/or international context.
- B. Upon successful completion of this course the student will be able to solve financial models and problems by utilizing both the quantitative and qualitative methodologies of financial management. These skills will be developed through lectures, classroom discussions, and working both sample and homework problems. The student should be able to solve, differentiate, and analyze models, problems, and statements with an accuracy level of 70 percent or above in the following areas:
1. Basic Financial Management Concepts
  2. Financial Statement and Ratio Analyses
  3. Time Value calculations
  4. Bond and Stock Valuation
  5. Rates of Return and Cost of Capital
  6. Capital Budgeting and Cash Flow
  7. Dividend Policy
  8. Working Capital Management
  9. International Financial Management

#### IV. TEXTBOOKS AND OTHER MATERIAL

- A. Required
- Brigham, Eugene F. and Joel F. Houston, Fundamentals of Financial Management, 10<sup>th</sup> edition, Thomson South-Western: Mason, Ohio, 2004.
- Texas Instruments BAII Plus Financial Calculator
- B. Recommended Materials
- Chapman, Robert L., Course Companion for Financial Management 2003-2004 Edition, Tulsa, Oklahoma, 2003.

#### V. POLICIES AND PROCEDURES

- A. University Policies and Procedures
1. Attendance at each class or laboratory is mandatory at Oral Roberts University.
  2. Double cuts will be assessed for absences immediately preceding or following holidays.
  3. Excessive absences can reduce a student's grade or deny credit for the course.
  4. Students taking a late exam because of an unauthorized absence will be charged a late exam fee.
  5. Students and faculty at Oral Roberts University adhere to all laws addressing the ethical use of others' materials, whether it is in the form of print, video, multimedia, or computer software.
  6. Final exams cannot be given before their scheduled times. Students need to check

the final exam schedule before planning return flights or other events at the end of the semester.

B. Course Policies and Procedures

1. Evaluation Procedures - Course participation is evaluated as follows:

MEASUREMENT	INDIVIDUAL	GROUP	TOTAL
Midterm Examination	20.0%	5.0%	25.0%
Spreadsheet Collaborations (2)	-	20.0%	20.0%
Peer Evaluation	10.0%	-	10.0%
Homework (Best 10)	15.0%	-	15.0%
Comprehensive Final	<u>25.0%</u>	<u>5.0%</u>	<u>30.0%</u>
TOTAL	<u>70.0%</u>	<u>30.0%</u>	<u>100.0%</u>

Important Note: It is assumed by the instructor that each student will devote approximately 1.5 to 2.0 hours of preparation (reading, studying and problem solving) before attending each class. If you are not spending the requisite time in preparation for the class you will be overwhelmed by the material. Practice makes it easy, cramming makes it hard, very hard.

3. Grades are assigned on the following basis:

A = 90% - 100%

B = 80% - 89%

C = 70% - 79%

D = 60% - 69%

F = <60%

## VI. COURSE CALENDAR

WEEK	MATERIAL	HOMEWORK
Week 1	Introduction to Course and Syllabus Review Chapter 1: An Overview of Financial Management Chapter 2: Financial Statements, Cash Flows, and Taxes Chapter 3: Analysis of Financial Statements	Read Chapter 1 pages 2-31 Read Chapter 2 pages 32-73 Read Chapter 3 pages 74-115 Chapter 3 Problem 3-24
Week 2	Chapter 17: Financial Planning and Processing Chapter 4: Financial Environment Chapter 5: Risk and Rates of Return  Instructions for Spreadsheet Assignment 1	Read Chapter 17 pages 644-681 Read Chapter 4 pages 116-163 Read Chapter 5 pages 166-215 Chapter 5 Exam-Type Problem 5-6 Chapter 5 Problem 5-15 Chapter 5 Problem 5-18
25 AUG	MONDAY	Chapter 3 Problem(s) Due Chapter 5 Problem(s) Due
Week 3	Chapter 6: Time Value of Money	Read Chapter 6 pages 282-338 Chapter 6 Exam-Type Problem 6-15 Chapter 6 Exam-Type Problem 6-22 Chapter 6 Exam-Type Problem 6-24
01 SEPT	MONDAY	Chapter 6 Problem(s) Due
Week 4	Chapter 7: Bonds and Their Valuation	Read Chapter 7 pages 264-303 Chapter 7 Starter Problem 7-1 Chapter 7 Starter Problem 7-3 Chapter 7 Exam-Type Problem 7-5 Chapter 7 Problem 7-21
08 SEPT	MONDAY	Chapter 7 Problem(s) Due
Week 5	Chapter 8: Stocks and Their Valuation	Read Chapter 8 pages 304-353 Chapter 8 Starter Problem 8-2 Chapter 8 Starter Problem 8-3 Chapter 8 Exam-Type Problem 8-14 Chapter 8 Problem 8-19
15 SEPT	MONDAY	Chapter 8 Problem(s) Due
Week 6	Chapter 9: The Cost of Capital	Read Chapter 9 pages 356-387 Chapter 9 Exam-Type Problem 9-8 Chapter 9 Exam-Type Problem 9-9 Chapter 9 Exam-Type Problem 9-12 Chapter 9 Problem 9-19
22 SEPT	MONDAY	Chapter 9 Problem(s) Due
Week 7	Chapter 10: The Basics of Capital Budgeting	Read Chapter 10 pages 388-421 Chapter 10 Exam-Type Problem 10-9 Chapter 10 Exam-Type Problem 10-11 Chapter 10 Exam-Type Problem 10-16 (On 10-16 omit Parts a, b, & c) Chapter 10 Exam-Type Problem 10-17 Chapter 10 Problem 10-19
29 SEPT	MONDAY	Chapter 10 Problem(s) Due
Week 8	Chapter 11: Cash Flow Estimation & Risk Analysis Distribute Midterm Study Topics Instructions for Midterm	Read Chapter 11 pages 422-451 Chapter 11 Exam-Type Problem 11-5

WEEK	MATERIAL	HOMEWORK
		Chapter 11 Exam-Type Problem 11-6 Chapter 11 Problem 11-7 Chapter 11 Problem 11-8
06 OCT	MONDAY	Chapter 11 Problem(s) Due Spreadsheet Assignment 1 Due
08 OCT	MIDTERM EXAMINATION (Part A)	Chapters 1-6
10 OCT	MIDTERM EXAMINATION (Part B)	Chapters 7-11
Week 9	Chapter 13: Capital Structure & Leverage  Instructions for Spreadsheet Assignment 2	Read Chapter 13 pages 476-519 Chapter 13 Starter Problem 13-2 Chapter 13 Starter Problem 13-3 Chapter 13 Exam-Type Problem 13-8 Chapter 13 Problem 13-14
27 OCT	MONDAY	Chapter 13 Problem(s) Due
Week 10	Chapter 14: Distributions to Shareholders	Read Chapter 14 pages 520-559 Chapter 14 Starter Problem 14-1 Chapter 14 Exam-Type Problem 14-6 Chapter 14 Problem 14-10
03 NOV	MONDAY	Chapter 14 Problem(s)
Week 11	Chapter 15: Managing Current Assets	Read Chapter 15 pages 562-609 Chapter 15 Starter Problem 15-3 Chapter 15 Exam-Type Problem 15-5 Chapter 15 Exam-Type Problem 15-6 Chapter 15 Problem 15-8
10 NOV	MONDAY	Chapter 15 Problem(s) Due
Week 12	Chapter 16: Financing Current Assets	Read Chapter 16 pages 610-641 Chapter 16 Starter Problems 16-1 Chapter 16 Starter Problems 16-2 Chapter 16 Exam-Type Problem 16-6 Chapter 16 Exam-Type problem 16-7
17 NOV	MONDAY	Chapter 16 Problem(s) Due
Week 13	Chapter 19: Multinational Financial Management	Read Chapter 19 pages 722-755 Chapter 19 Starter Problem 19-1 Chapter 19 Starter Problem 19-2 Chapter 19 Starter Problem 19-3 Chapter 19 Exam-Type Problem 19-4 Chapter 19 Problem 19-12
24 NOV	MONDAY	Chapter 19 Problem(s) Due Spreadsheet Assignment 2 Due
Week 14	Instructions and Review for Comprehensive Final Examination	Review Course Material
FINAL EXAM WEEK	MWF 09:50 MONDAY, 08 December 2003 @ 10:00 MWF 01:30 MONDAY, 08 December 2003 @ 03:00 MWF 08:50 WEDNESDAY, 10 December 2003 @ 10:00	

# VII. ASSESSMENT SUMMARY

<b><u>Robert L. Chapman</u></b> Name of Instructor	<b><u>FIN 338</u></b> Course #	<b><u>FINANCIAL MANAGEMENT</u></b> Title of Course	<b><u>SCHOOL OF BUSINESS</u></b> Name of Department
<u>MISSION</u>  The lifestyle at ORU is rooted in the word "Wholeness." ORU seeks to educate the whole person, with balanced emphasis placed on the development of the mind, spirit, and body.  <u>GENERAL OUTCOMES</u>  1. Spiritual Development 2. Physical Development 3. Communication 4. Analysis 5. Problem Solving 6. Valuing in Decision-making 7. Social Interaction 8. Global Perspectives 9. Effective Citizenship 10. Aesthetic Responsiveness	<u>MAJOR OUTCOMES</u>  <b>Analysis/Problem Solving:</b> Takes the initiative in identifying, analyzing, and solving problems in financial decision-making.  <b>Valuing in Decision-making:</b> Integrates an ethical component as part of the financial decision making process.  <b>Communication:</b> Demonstrates the ability to effectively communicate his/her analysis of financial problems/solutions to others.	<u>COURSE GOALS</u>  Analyze financial statements.  Apply valuation concepts of securities in both corporate and personal context.  Demonstrate the techniques used in the process of planning for acquiring, and utilizing funds for maximizing the value of the firm.  Demonstrate the use and effect of risk analysis in financial decisions.	<u>ASSESSMENT OF COURSE GOALS</u>  <u>STIMULI:</u>  Individual Examinations Group examinations Group problem solving Group breakout sessions Homework assignments In-class discussions Spreadsheet collaborations Lecture  <u>CRITERIA:</u>  Solve problems on group and individual examinations and spreadsheet collaborations with an average accuracy of seventy percent.