Business 640HZ: Advanced Financial Decision Making

Professor: Dr. Gregory A. Kuhlemeyer
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Email address: gkuhleme@carrollu.edu
Office Hours: 1 hour after class until last person leaves at Graduate Center – location CGS121
Class time: Tuesday 6PM – 9:50PM (CGS121)

Prerequisites: BUS620 - Accounting

Course Description:
An exploration of advanced financial management topics and applied in a case-based format. The course will involve the extensive use of teams and Excel modeling as students study, analyze and recommend decisions in areas related to capital budgeting, financing, cost of capital, working capital management, mergers and dividend policy.

Required Texts and Other Materials:
“Corporate Finance: A Focused Approach,” Ehrhardt and Brigham, 6th Ed, Thomson

Business Program Goals:
I. Prepare individuals for professional positions in organizations
II. Develop productive members of society
III. Create lifelong learners

<table>
<thead>
<tr>
<th>MBA Learning Outcomes. Students will . . .</th>
<th>Program Goal(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increase knowledge and understanding of business concepts and their applications</td>
<td>I</td>
</tr>
<tr>
<td>2. Demonstrate mastery of business communication skills</td>
<td>I,</td>
</tr>
<tr>
<td>3. Effectively apply appropriate tools and techniques to solve complex business problems</td>
<td>I,</td>
</tr>
<tr>
<td>4. Formulate and evaluate effective business policies and strategies within a global environment</td>
<td>I, II, III</td>
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<td>5. Collaborate effectively in a competitive environment</td>
<td>I, II, III</td>
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<tr>
<td>6. Examine and analyze issues related to diversity and ethics in a multicultural environment and their impact on the organization</td>
<td>I, II, III</td>
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Learning Outcomes*:

<table>
<thead>
<tr>
<th>BUS640 Learning Outcomes. Students should be able to . . .</th>
<th>Associated MBA Learning Outcomes</th>
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<tbody>
<tr>
<td>A. develop an in-depth understanding of financial concepts and show this knowledge through application</td>
<td>1</td>
</tr>
<tr>
<td>B. understand financial theory within a decision making context and show this knowledge through application</td>
<td>1, 3</td>
</tr>
</tbody>
</table>
C. show their financial modeling skills using Excel in Cases 1, 3, 4
D. effectively demonstrate individual knowledge through classroom case presentation of cases 2, 5
E. show their ability to analyze problems from multiple dimensions through application 3, 4, 6

* Students should expect to be able to demonstrate these learning goals to the instructor’s satisfaction upon successfully completing the course.

Grading:

<table>
<thead>
<tr>
<th>Evaluated Activity</th>
<th>Associated Learning Outcome</th>
<th>Weight in evaluation</th>
</tr>
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<tbody>
<tr>
<td>1. Weekly short pre-class quizzes</td>
<td>A, B, C, and E</td>
<td>14%</td>
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<tr>
<td>2. Exams</td>
<td>A, B, C, and E</td>
<td>40%</td>
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<tr>
<td>3. Homework and/or Cases</td>
<td>A through E</td>
<td>25%</td>
</tr>
<tr>
<td>4. Effective class participation / discussion</td>
<td>A, B, C, and E</td>
<td>21%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

GRADE CRITERIA**

92-100% ... A 70-77% ... C
88-91% ... A/B 60-69% ... D
82-87% ... B <60% ... F
78-81% ... B/C

** Percentages are rounded to the nearest whole percentage. Thus, 91.4% is rounded down to 91% and earns you an A/B, but a 91.5% is rounded up to 92% and earns an A.

Expectations of Students:
- Students are expected to attend ALL classes and be on time. If a student misses class due to illness or other circumstances, then it is the student’s responsibility to obtain the covered material and assignments. Any missing work earns a zero.
- Each student is expected to participate in ALL class discussions. Failure to do so in an effective manner will negatively impact your personal grade. See below for details.
- All assignments are to be completed by the date and time specified in class. No assignments will be accepted if they are late unless prior approval from the instructor has been received and in those cases it will be uncommon.
- Preparing your readings and work in advance is critical to succeeding in this class.

The Classroom:

The nature of the short-term class with required work outside of the classroom means that your work outside of the classroom should typically require 12-16 hours a week plus the classroom time. Remember that this accelerated class means a large percentage of work is already outside of class on top of the normal external workload. Reading, completing prequizzes, preparing case homework, and completing exams is time consuming and critical to success in learning finance and is why it will require you to work between 12-16 hours a week. This is NOT a pure lecture-based class.

I assume that students will always have prepared the material in the textbook in advance and that our classroom focus will be diving deeper sometimes using the minicases as discussion and conversation points. We will also discuss cases as appropriate during class time.
Office hours are the 60 minutes after class or until the last student leaves the classroom. If a different time is needed, please try to coordinate with me. Other evenings may be a challenge, but day time meetings are usually viable.

Class discussions/lectures will be driven via Excel. Students are expected to know Excel and should open the associated files and follow along and make notes as appropriate. Homework problems should be completed in Excel and comments in Word. Files will be uploaded in Canvas.

Pre-quiz (designed to entice reading prior to class):
- Students must do all chapter readings and take a pre-quiz for every chapter.
- The lowest TWO pre-quiz scores over the term will be dropped.
- The questions will be multiple-choice and true-false based.
- Typically, there are only 5 questions or so. Therefore, an individual may not do well on a single quiz while generally having a reasonable grasp of the material. Don’t stress the first couple chapters!

Class Participation:
- If you are not in class for any reason, that week you will earn a 0% for class participation and discussion.
- Effective participation implies that students are making constructive comments that are designed to support and improve the learning experience for all students.
- Preparation is MANDATED to have effective participation. Preparation means reading material in advance and preparing the cases for class discussions.
- Attendance by itself NEVER constitutes effective participation.
- Participation will be graded 0% (not engaged or miss class); 1% (limited engagement or good engagement being late or leaves early); 2% (good engagement); or 3% (excellent engagement and value-added comments during class).

Homework-Cases:
- Must be completed in Excel and/or Word and then uploaded to Canvas. It is GENERALLY due before the next class. The last week will have a different due date due to final grade submission dates.
- You will work on these in teams of four or five. Please identify the group members and let me know please.
- Homework will often be assigned from the chapter.
- Grades are an average of each week that material has assigned materials. ALL homework counts.
- Cases may also be utilized for this course. Chapters that have a case assigned must be prepared and is equivalent to doing homework. The objective is to attempt to apply it in a somewhat similar real-life scenario.
- If a team member does not help their team, the team can provide me details and I may assign individual grades of 0% up to the team’s grade. In some cases, I may consider adjusting the team grade upwards slightly.

Exams:
- Students will take two exams. You are not allowed to retake exams.
- Your exam grade will be the average of the two.
- Since homework and cases will focus on higher order learning, these exams will be focused on terms and general concepts in a multiple-choice / true-false design.

Schedule of Topics:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Week 1</td>
<td>Overview of Financial Management System (Chapter 1)</td>
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<td>Financial Statements, Cash Flows and Taxes (Chapter 2) – required to</td>
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<tr>
<td></td>
<td>refresh from BUS620</td>
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<td></td>
<td>Analysis of Financial Statements (Chapter 3)</td>
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<td></td>
<td>Complete assigned work</td>
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<tr>
<td>Week 2</td>
<td>Complete Pre-discussion quiz for each chapter</td>
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<td></td>
<td>Time Value of Money – (Chapter 4)</td>
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</tbody>
</table>
Bonds, Bond Valuation, and Interest Rates (Chapter 5)
Complete assigned work

Week 3
Complete Pre-discussion quiz for each chapter
Risk, Return, and the Capital Asset Pricing Model (Chapter 6)
Stocks, Stock Valuation, and Stock Market Equilibrium (Chapter 7)
Complete assigned work

Week 4
Complete Pre-discussion quiz for each chapter
Corporate Valuation, Value-based Management, and Corporate Governance (Chapter 13)
Complete Cash Distributions and Capital Structure (Chapter 14)
Complete assigned work

Week 5
Complete Pre-discussion quiz for each chapter
Cost of Capital (Chapter 9)
Approx. 8:00 p.m. -- Exam 1 – Chapters 1-7
Complete assigned work

Week 6
Complete Pre-discussion quiz for each chapter
Capital Budgeting (Chapter 10)
Cash Flow Estimation and Risk Analysis (Chapter 11)
Complete assigned work

Week 7
Complete Pre-discussion quiz for each chapter
Begin Discussion on Financial Planning and Forecasting Financial Statements (Chapter 12)
Capital Structure Decisions (Chapter 15)
Complete assigned work

Week 8
Go over all questions
Exam 2 – Chapters 9-15

University Policy Statements:

- The instructor and the University reserve the right to modify, amend, or change the syllabus (course requirements, grading policy, etc.) as the curriculum and/or program require(s).
- Students with documented disabilities who may need accommodations, or any student considering obtaining documentation should make an appointment with Ms. Martha Bledsoe, Director of Services for Students with Disabilities, no later than the first week of class. She can be reached by calling 262-524-7335 or contacting her via email at mbledsoe@carrollu.edu.
- The Carroll University Academic Integrity Policy is located in your student handbook (https://my.carrollu.edu/ICS/Departments/Student_Affairs). I encourage you to familiarize yourself with it. If a student violates this policy in any way, I reserve the right to impose a sanction of failure on the assignment/assessment or failure in the course. If you have questions about appropriate citations, please ask.