FIN 3302 CORPORATION FINANCE OFFICE 758-5015
SPRING 2015 UVALDE, THURSDAY
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OFFICE HOURS:

EAGLE PASS	WED	8:00 AM-4:00 PM
EAGLE PASS	TH	8:00 AM-4:00 PM

OR BY APPOINTMENT ANYTIME

I will be available by phone, e-mail or in my office to offer help on any subject related to the course. As we progress in the course, I may make changes to this syllabus to accommodate any particular subject area. In that sense, this syllabus is a guideline, not a contract.

Required Text:
Foundations of Financial Management, 15e Block Hurt Danielsen, McGraw-Hill Irwin
ISBN 978-1-259-19407-8

1. Objectives: The student will be able to:

    1. Understand that the field of finance integrates concepts from economics, accounting and a number of other areas. Appreciate that a firm can have many different forms of organization. Identify the relationship of risk to return as a central focus of finance. Be aware of the primary goal of financial managers: maximize the wealth of the shareholders.

       Assessment: Written exam, written chapter discussion questions, in-class exercises and quiz.

    2. Use financial statements to measure profitability, identify sources or financing and evaluate the change in the cash position of the company. Identify the price-earnings ratio as an indicator of the relative valuation of earnings. Understand that depreciation provides a tax reduction benefit that increases cash flow.

       Assessment: Written exam, written chapter discussion questions, in-class exercises and quiz.

    3. Explain how ration analysis provides a meaningful comparison of a company to its industry. Understand ratios can be used to measure profitability, asset utilization, liquidity, and debt utilization. Apply the Du Pont system of analysis toward identifying the true sources of return on assets and return to stockholders. Explain how the use of trend analysis shows company performance over time.

       Assessment: Written exam, written chapter discussion questions, in-class exercises and quiz.

4. Identify financial forecasting as essential to the strategic growth of the form. Use the pro forma income statement, the cash budget, and the pro forma balance sheet to perform forecasting. Understand how the percent-of-sales method can also be used for forecasting on a less precise basis. Explain how the methods of forecasting enable the firm to determine the amount of new funds required in advance.

   Assessment: Written exam, written chapter discussion questions, in-class exercises and quiz.

5. Explain how leverage represents the use of fixed cost items to magnify the firm's result. Understand how Break-even analysis allows the firm to determine the magnitude of operations necessary to avoid loss. Identify the use of operating leverage to indicate the extent fixed assets are utilized by the firm. Understand that financial leverage shows how much debt the firm employs in its capital structure and how combined leverage takes into account both the use of fixed assets and debt.

   Assessment: Written exam, written chapter discussion questions, in-class exercises and quiz.

6. Explain how working capital management involves financing and controlling the current assets of the firm. Explain how management distinguishes between those current assets that are easily converted to cash and those that are more permanent. Understand that the financing of an asset should be tied to how long the asset is likely to be in the balance sheet.

   Assessment: Written exam, written chapter discussion questions, in-class exercises and quiz.

7. Understand that cash management involves control over the receipt and payment of cash so as to minimize nonearning cash balances. Show how the management of marketable securities involves selecting between various short term investments. Explain how accounts receivable management requires credit policy decisions aimed at maximizing profitability. Understand the sources of short term fianancing.

   Assessment: Written exam, written chapter discussion questions, in-class exercises and quiz.

2. Course Assessment:

   a. <u>Assignments:</u> Selected exercises will be assigned to help in the understanding of the course materials.

   b. <u>Exams:</u> These will not be cumulative (except to the extent that one part builds upon another). There will be unannounced quizzes either at the

beginning or the end of class. Exams will be scheduled as we progress during the semester.

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2. **<u>Note:</u> It is a policy for this course that after the due date there will be no make-up or reposition for the work required; this policy includes, assignments, exams and quizzes. Class participation is mandatory. There will be roll call and perfect attendance will count toward a class participation grade. After four (4) absences the student will be dropped from the course.**

3. <u>Course Grading:</u>

   The projected cutoff point for A's, B's, C's, and D's are based on a 90%, 80%, 70%, and 60%, respectively.

CLASS SCHEDULE FOR ACCT 3312, ACCOUNTING INFORMATION SYSTEM

Date	Topic	Ch	Description
Jan 22	Goals and activities of financial management. Accounting review	1 2	• Course information. Goals and functions of financial management. • Review of accounting concepts.
Jan 29	Financial Analysis	3	• Ratio analysis: profitability ratios, asset utilization ratios, liquidity ratios, and debt utilization ratios
Feb 5	Financial forecasting Operating and financial leverage	4 5	• Forecasting methods: Pro forma statements and percent-of-sales-method. • Financial break-even analysis and degree of financial leverage
Feb 12	Exam 1	1-5	
Feb 19	Working capital and the financing decision	6	• Patterns of financing and financial decision, the financing decision, the financing process.
Feb 26	Current Asset Management	7	• Cash management, account receivable management and inventory management.

Mar 5	Sources of short term financing	8	• Trade credit, bank credit and other short term financing.
Mar 12	Exam 2	6-8	
Mar 26	Time Value of Money	9	• Present and Future Value concepts
Apr 2	Valuation and Rates of Return	10	• Valuation Concepts
Apr 9	Cost of Capital The Capital Budgeting Decision	11 12	• Cost of Capital concepts • Ranking Investments
Apr 16	Exam 3	9-11	
Apr 23	Capital Markets Investment Banking	14 15	• Financial markets concepts • Role on investment banking
Apr 30	Long-Term Debt and Lease Financing Common and Preferred Stock	16 17	• Debt Financing concepts • Claims to Income concepts
May 14	Exam 4	14-17	