

# Financial Management

COURSE DESIGNATOR MADR 3001

Language of Instruction English

NUMBER OF CREDITS 3 credits

Contact Hours # hours

## COURSE DESCRIPTION

A study of the forms, sources, and management of business capital. The finance function and its relation to other business functions and to general policy objectives are considered. Topics include: capital requirement, short and intermediate financing, management of current assets, capital budgeting, and the cost of capital.

## INSTRUCTOR

## COURSE GOAL

This introductory course in corporate financial management is designed to develop the student's capacity to understand the basic concepts in investment and financial decision making at the corporate level. The course will also discuss the role of the financial manager and financial analysis and planning.

## LEARNING OUTCOMES

## METHODOLOGY

## COURSE PREREQUISITES

## REQUIRED READING/MATERIALS

*Fundamentals of Corporate Finance*, Ross, Westerfield & Jordan (2006) selected chapters contained in student reader

## GRADING

### CRITERIA FOR GRADING AND GRADING STANDARDS

Grading Rubric		
A	95+	Achievement that is outstanding relative to the level necessary to meet course requirements.
A-	90-94	Achievement that is significantly above the level necessary to meet course requirements.
B+	86-89	
B	83-85	
B-	80-82	Achievement that meets the course requirements in every respect.
C+	76-79	
C	73-75	
C-	70-72	Achievement that is worthy of credit even though it fails to meet fully the course requirements.
D+	66-69	
D	60-65	
F	<59	Represents failure (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I.

Summary of how grades are weighted:

Class participation	10%
Homework	20%
Mid-term examination	20%
Projects	25%
Final examination	25%
Overall Grade	100%

## CLASS SCHEDULE

### WEEK 1

- Course introduction, syllabus review
- Introduction to financial management
- Financial statements, taxes, and cash flow

### WEEK 2

- Working with financial statements

### WEEK 3

- Introduction to valuation: time value of money

### WEEK 4

- Discounted cash flow valuation

### WEEK 5

- Discounted cash flow valuation

### WEEK 6

- Understanding interest rates
- Government bond valuation

### WEEK 7

- Corporate bond valuation
- Introduction to stock valuation

### WEEK 8

- Introduction to stock valuation

#### WEEK 9

- Net present value

#### WEEK 10

- Short-term asset management

#### WEEK 11

- Making capital investment decisions

#### WEEK 12

- Cost of Capital
- Return, risk, and the security of market line

#### WEEK 13

- Options valuation – Black-Scholes Model

### ATTENDANCE POLICY

Regular attendance and punctuality are mandatory in order to earn full marks. The final grade will take into consideration preparation required for class (i.e. readings) and participation in class discussions. If you miss any meetings without an excused absence from the on-site director, your final grade will be dropped accordingly. In the case of absences, it is the student's responsibility to find out what information was given in class including any announcements made.

### UNIVERSITY OF MINNESOTA POLICIES AND PROCEDURES

Academic integrity is essential to a positive teaching and learning environment. All students enrolled in University courses are expected to complete coursework responsibilities with fairness and honesty. Failure to do so by seeking unfair advantage over others or misrepresenting someone else's work as your own, can result in disciplinary action. The University Student Conduct Code defines scholastic dishonesty as follows:

#### SCHOLASTIC DISHONESTY:

Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis.

Within this course, a student responsible for scholastic dishonesty can be assigned a penalty up to and including an "F" or "N" for the course. If you have any questions regarding the expectations for a specific assignment or exam, ask.

#### STUDENT CONDUCT

The University of Minnesota has specific policies concerning student conduct and student needs. This information can be found on the Learning Abroad Center website.