Financial Management

Course Details

Course Designator & Number: MADR 3001
Number of Credits: 3
Language of Instruction: English

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.

Course Objectives

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.

Required Reading / Materials

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

### Grading Rubric

<table>
<thead>
<tr>
<th>Letter Grade</th>
<th>Score or Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>93–100</td>
<td>Achievement that is outstanding relative to the level necessary to meet course requirements.</td>
</tr>
<tr>
<td>A-</td>
<td>90–92</td>
<td></td>
</tr>
<tr>
<td>B+</td>
<td>87–89</td>
<td>Achievement that is significantly above the level necessary to meet course requirements.</td>
</tr>
<tr>
<td>B</td>
<td>83–86</td>
<td></td>
</tr>
<tr>
<td>B-</td>
<td>80–82</td>
<td></td>
</tr>
<tr>
<td>C+</td>
<td>77–79</td>
<td>Achievement that meets the course requirements in every respect.</td>
</tr>
<tr>
<td>C</td>
<td>73–76</td>
<td></td>
</tr>
<tr>
<td>C-</td>
<td>70–72</td>
<td></td>
</tr>
<tr>
<td>D+</td>
<td>67–69</td>
<td>Achievement that is worthy of credit even though it fails to fully meet the course requirements.</td>
</tr>
<tr>
<td>D</td>
<td>60–66</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>0–59</td>
<td>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.</td>
</tr>
</tbody>
</table>
## Summary of How Grades Are Weighted

<table>
<thead>
<tr>
<th>Assignments</th>
<th>Percentage of Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in class</td>
<td>10%</td>
</tr>
<tr>
<td>Homework</td>
<td>20%</td>
</tr>
<tr>
<td>Mid-term Examination</td>
<td>20%</td>
</tr>
<tr>
<td>Projects</td>
<td>25%</td>
</tr>
<tr>
<td>Final Examination</td>
<td>25%</td>
</tr>
<tr>
<td>Overall Grade</td>
<td>100%</td>
</tr>
</tbody>
</table>
Course Content

Unit 1

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

Unit 2

Theme
- Working with financial statements

Unit 3

Theme
- Introduction to valuation: time value of money

Unit 4

Theme
- Discounted cash flow valuation

Unit 5

Theme
- Discounted cash flow valuation

Unit 6

Theme
- Understanding interest rates
- Government bond valuation
Unit 7

Theme
  ● Corporate bond valuation
  ● Introduction to stock valuation

Unit 8

Theme
  ● Introduction to stock valuation

Unit 9

Theme
  ● Net present value

Unit 10

Theme
  ● Short-term asset management

Unit 11

Theme
  ● Making capital investment decisions

Unit 12

Theme
  ● Cost of Capital
  ● Return, risk, and the security of market line

Unit 13

Theme
  ● Options valuation – Black-Scholes Model
Policies

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 & 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. This information can be found on the Learning Abroad Center website.