An examination of the theory and practice of the financial management function in planning the appropriate amount of funds to employees in the firm, raising these funds on the most favorable terms, and directing the efficient allocation of the funds within the firm. Topics include the management of current assets, capital budgeting, short term and long term financing.

Prerequisites: ACCT 301 and STAT 361.

Study Guide to Accompany textbook. (optional)

Periodicals: Wall Street Journal (Required)
Barrons (optional)

Rationale:
The proper planning, analysis, and control of funds has a significant influence on the jobs of organization members, the survival of the organization, and the growth of the economy. For example, financial decisions concerning the profitability of investment in capital equipment influences the degree to which labor resources are needed in the firm. The financial decisions concerning the adoption of new products, the addition of a new plant, and the floating of a bond or stock issue influence the vitality and survival of the
organization. The degree to which funds are efficiently allocated within a firm determines the rate at which the economy can grow. Students will learn to apply the tools and concepts of the financial manager to their own careers. In addition, the students will be better-informed citizens as they view the activities of the financial world.

**Course Objectives:**

1. Understand the role of the financial manager and the trade-off between risk and return on investments.
2. Understand and apply the methods that a financial manager uses to prepare the external and internal financial analysis.
3. Understand the techniques used for managing accounts receivable and inventory of the firm.
4. Apply capital budgeting techniques.
5. Plan an optimal capital structure.
6. Understand the advantages and disadvantages of alternative sources of short term and long term funds.
7. Understand the rights and objectives of creditors, preferred stockholders, and common stockholders.

**Course Evaluation Information:**

**Evaluation:**

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Midterm #1</td>
<td>33%</td>
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<tr>
<td>Midterm #2</td>
<td>33%</td>
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<tr>
<td>Final</td>
<td>34%</td>
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Make-up exams will not be administered under any circumstances.

**Traditional Grading Scale:**

- 90 - 100 = A
- 80 - 89 = B
- 70 - 79 = C
- 60 - 69 = D
- 0 - 59 = F

**Tentative Schedule:**

- Week 1: Introduction and Chapter One.
- Week 2: Chap. 2 and 3.
- Week 3: Chap. 3 and 5.
- Week 4: Chap 5 and WSJ handout discussion.
- Week 5: Review and catch-up.
- Week 6: First exam. (Tentative date.)
Week 7: Chap. 6 and 7.
Week 8: Chap. 7 and 8.
Week 9: Chap. 9.
Week 10: Review and catch-up.
Week 11: Second exam. (Tentative date.)
Week 12: Chap 11.
Week 13: Chap 13.
Week 14: EOQ model and international finance.
Week 15: Final exam week.

**Major Topics Addressed During Course**

1) Financial markets and interest rates.
2) Evaluation of financial statements.
3) Time value of money.
4) Valuation of fixed income securities.
5) Valuation of common stock.
6) Risk and return.
7) Capital budgeting techniques and practice.
8) Cost of capital.
9) Dividend policy.
10) EOQ model.
11) International finance.

**Syllabus Statement for Persons with Disabilities:**

It is the intention of the institution to support full participation of all students, regardless of physical ability level. Therefore, if any student needs consideration of his/her physical abilities in order to complete the course, please notify the instructor as soon as possible.