

**Course Outline**

**MBA 825**

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**MBA 825.3 Financial Management**

Professor: Brian Lane (Call me Brian)  
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Class Times: Monday to Thursday 6:30 pm to 9:45 pm, Jan 26 –Feb 12  
Classroom: ESB 116

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**Some thoughts on MBA 825:**

Managers need a strong understanding of all business areas, including finance. Just imagine a marketing manager that cannot explain the connection between a high cost marketing campaign and the corporate budget, or a production manager that can't explain how a new and expensive machine will improve profitability. Understanding the financial impact of our decisions helps us to relate to shareholders and make decisions that benefit the organization.

This course examines the role of finance in business decision making. It will also introduce finance as an integral part of business and show that many decisions involve some form of financial analysis.

MBA825 introduces the foundation of corporate finance. We will be working through some of the math of finance, the integration of finance and accounting, and the details of performing a net present value analysis in Excel, using cash flow forecasts. There will be opportunities to discuss advanced topics and to bring in current events but the focus of MBA 825 is financial theory and methods.

**Prerequisites:**

Required: MBA 803.3 Business and Society and MBA 807.2 Financial Statement Analysis

**Textbook:**

Ross, Westerfield, Jordan, and Roberts, *Fundamentals of Corporate Finance*, 6<sup>th</sup> Canadian Edition (2007), McGraw-Hill Ryerson Limited.

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### Evaluation:

Quizzes (5)	20%
Assignment #1	5%
Valuation assignment	10%
Mid-term Exam	25%
Final Exam	40%

### Self-Study Questions:

- Consider attempting the suggested review problems at the end of each lecture. Some solutions are available.
- Small study groups can be helpful but you should ensure that you are able to work the problems independently.

### Assignments:

- Assignment #1 is an individual assignment.
- Assignment #2 (valuation) can be done in small groups, if you like. Groups should not be larger than 3 members.
- Assignments are to be handed in on the due date no later than the class start time. Late assignments (after class start) will lose 25 percentage points per day late.
- Show your work for full marks.

### Mid-term and Final Examinations:

- Exams will consist of short answer questions, problems, and essay questions.
- A formula sheet will be provided.
- Show the details of your work for full marks.
- The mid-term exam will be 2 hours; the final exam will be 3 hours in length.

There is no deferred midterm exam. If you are absent from the midterm with documentation (such as a medical certificate for illness), the weight of the midterm will be added to your final. Without documentation, absence from the midterm will result in a grade of zero. If you are unable to attend the final exam, contact the MBA office.

Class attendance is not officially part of the marking scheme. However, frequent absence will hurt your performance in this class. Any material covered in class is fair game for the exams.

### Classroom etiquette:

Please treat your classmates and your professor with the respect & courtesy that you would like to be treated with yourself. Private conversations, cell phones, laptops (non-class activity), non-constructive criticism, and frequent comings & goings make it difficult for some students to concentrate and to learn.

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**Tentative Class Schedule:**

<b>Day</b>	<b>Topic</b>	<b>Quiz</b>	<b>Textbook Readings</b>
1	Introduction to Financial Management		Ch. 1
2	Financial Statements, Taxes, and Cash Flow	Ch. 1&2 (end of class)	2
3	Time Value of Money *Introduce Discounted Cash Flow Valuation (DCF)		5
4	<b>Hand in assignment #1 due Friday, Jan. 30 by 4pm</b> Continue DCF -Mortgage calculations	Ch. 5	6
5	Bonds	Ch. 6	7
6	Stocks Risk & Return, Canadian Market History		8 Handouts (Based on 12 & 13)
7	<b>Midterm Exam</b> Valuation		All material to date Handouts
8	Valuation (continued) Investment Criteria		9
9	Capital Investment Decisions	Ch. 9	10
10	Susan Milburn: Risk & Current Market Events Project Analysis and Evaluation		11
11	Net Working Capital (NWC) Management <b>Valuation assignment due</b>	Ch. 10&11	Handouts (18, 19, 20)
12	Final Exam		Comprehensive

**Attendance:**

Students are expected to have read and understood the MBA Program Attendance Policy distributed during Orientation and which is posted on the Edwards MBA website at: <http://www.edwardsmba.com/About%20the%20Program/Course%20Requirements.html#attendancepolicy>

**Academic Dishonesty:**

Students are expected to have read and understood the rules regarding academic dishonesty which are posted on the University of Saskatchewan website at: [http://www.usask.ca/university\\_secretary/council/reports\\_forms/reports/09-27-99.php](http://www.usask.ca/university_secretary/council/reports_forms/reports/09-27-99.php)